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from 11 to 14 March 1980

Europe House, Strasbourg

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IN THE CHAIR: MRS VEIL

President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Opening of annual session*

President. — Pursuant to Rule 1 of the Rules of Procedure I declare the 1980-1981 session of the European Parliament opened.

2. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

I call Mr Balfe on a point of order.

Mr Balfe. — Madam President, for the last six weeks I have been trying to find out, through the Committee on Budgets and by addressing letters to various people, how the system of twelfths works, when applied to the committees and meetings of this House. It has been intimated to us that there is to be an extra part-session later this month, which will of course consider the report on agricultural prices. I cannot work out how this part-session can be financed under the one-twelfth rule. It does seem to me at the moment that there is no money for this part-session. I am given to understand that Parliament overspent at the end of January in the case of allowances. What I want to

know Madam President is this: does the twelfths rule prevent Parliament from overspending its budget or not? If it does prevent it from overspending, there is no money for the part-session at the end of this month. If it does not prevent it from overspending, there is no reason why the expenses should have been adjusted at all, because to overspend by amount X plus Y is no worse than to overspend by amount X. Since I have failed to get an explanation from anywhere else and whilst I appreciate, Madam President, that you cannot give an instant answer, I wonder if you could consider this matter and maybe inform the House tomorrow morning of your opinion on it.

President. — I shall not be in a position to provide you with any further information tomorrow, as a decision will not be taken on the matter until the Bureau meeting in Thursday. I shall simply state that very close attention is being given to this matter and that we shall provide details as soon as we can.

3. *Membership of committees*

President. — Having noted that the present composition of committees ensures fair representation of Member States and of political views, the Bureau proposed, at its meeting of 29 February 1980, that their term of office be extended by one year.

I put to the vote the motion for a resolution (Doc. 1-839/79) by the Bureau and Mr Glinne, on behalf of the Socialist Group, Mr Klepsch, on behalf of the Group of the European People's Party (CD Group), Mr Scott-Hopkins, on behalf of the Group of European Democrats, Mr Fanti, on behalf of the Communist and Allies Group, Mr Bangemann, on behalf of the Liberal and Democratic Group, and Mr de la Malène, on behalf of the Group of European Progressive Democrats, on the composition of parliamentary committees.

The resolution is adopted.

4. *Decision on urgency*

President. — The next item is a decision on the urgency of several requests for urgent debate.

We begin with the *motion for a resolution by Mrs Hoff and others (Doc. 1-804/79): Composition of the future Commission of the European Communities.*

I call Mr Glinne.

Mr Glinne. — We withdraw the request for urgent debate and ask that it be referred to the Political Affairs Committee.

President. — Pursuant to Rule 25 of the Rules of Procedure this motion for a resolution is referred to committee.

*

* *

President. — We shall now consider the *motion for a resolution by Mrs Lizin and others (Doc. 1-833/79): Special United Nations Conference.*

I call Mr Glinne.

Mr Glinne. — (F) We are aware, Madam President, that you have received a request from the *ad hoc* Committee on Women's Rights. We know what you told us yesterday at the meeting of group chairmen that this question will be discussed by the enlarged Bureau on Thursday. I therefore request that Mrs Lizin's text similarly be withdrawn.

President. — Yes, Mr Glinne, this matter will be submitted to the enlarged Bureau next Thursday.

We shall now consider the *motion for a resolution by Miss Clwyd and others (Doc. 1-836/79): British steel industry.*

I call Miss Clwyd.

Ms Clwyd. — This particular request for urgency concerns the loss of 52 000 jobs in the British steel industry; that is one third of the workers who work in the steel industry in Britain. They are to lose their jobs between the end of this month and August of this year. In no other country in Europe, Madam President, has any basic industry attempted to shed as much of its work force in as short a time as the British steel industry is attempting to do.

You will remember that in May of last year, in its background paper on its special proposals for work sharing and early retirement in the steel industry, the European Commission talked of introducing measures designed to prevent workers who become redundant as a result of re-structuring in the iron and steel industry from being dismissed *en masse* or in a single sweep. What has happened in Britain since December has gone beyond anything the European Commission could have imagined when they wrote that paper. It has certainly astounded people in Britain and Europe who have had a lifetime of dealing with industrial problems. The proposed contraction, in the view of many people in Britain and in Europe, is hopelessly unrealistic. A basic industry is attempting to shed one third of this work force in less than a year, without giving a thought to the industrial and social consequences which will flow from this reduction. The immediate associated job loss in an area such as South Wales has been estimated at at least 20 000, and a short-term job loss taking ancillary industries into account is estimated at between 40 000 and 50 000 workers. The social problems resulting from such developments turn on the fact that, as in many other countries, steelworkers are concentrated in already depressed areas. The figures for South Wales would take registered unemployment up to 12 %. In Consett, a town in the north of England, the BSC has estimated that between a quarter and a third of the working populations would be registered as unemployed. The question, Madam President, which the European Parliament should be considering is whether this is the sort of future we want for the people and industry of Europe. Is the European Community prepared to stand back whilst its basic industries are decimated? Social policy is not just about transferring resources from rich countries to poor countries or the harmonization of conditions and standards. It is also about a common approach to solving problems such as restructuring our older industries in a humane way, and not with callous disregard for people and their families. Parliament must not abdicate its responsibility for the Community restructuring plan in the iron and steel industry in the face of what is a growing industrial, social and, ultimately, political crisis in one of its Member countries. Madam President, I move urgency for this resolution.

President. — I call Mr Ansart.

Mr Ansart. — (F) I should like to express some reservation, Madam President.

I would point out that no reference is made in the motion for a resolution tabled by the Socialist Group to the Davignon plan or to the Commission. I must therefore say that as the region I represent has the same problems, which are also faced by the whole of my country, both the Davignon plan and the Commis-

Ansart

sion of the European Communities, which, if it wishes, can quash such decisions in the steel industry, must be called into question.

President. — I call Mr Scott-Hopkins

Mr Scott-Hopkins. — Madam President, I wish to oppose the adoption of urgent procedure. I do not think anybody would dispute that there is a grave difficulty in the steel industry, something which has been brought on in my country by the policies of a previous government over a period of five years. But this is not the place to debate the details of the situation: they are well known. Neither is this the time to bring into the floor of this House the internal disputes of my country: they can be quite well debated in the House of Commons, not here. Therefore I do believe, Madam President, that this is not something which this House should deal with as a matter of urgency. We all accept that there is a problem. The Commission are dealing with it as far as they can, and my government is dealing with it as far as it can. I do not believe it is right to give urgency to this particular demand for a debate.

President. — I call Mr Boyes.

Mr Boyes. — Madam President, I wish to support the request of urgent procedure. Fifty-two thousand jobs are being lost in a basic industry, and Mr Scott-Hopkins and his colleagues know full well that the question of urgency is related to the dates by which agreements have to be made between unions and management: these are basically the end of this month and 1 August.

I agree with my colleague here on my right that at some time the whole question of the Davignon plan and the steel industry will have to be debated in full, but this resolution does not accept or comment on that aspect. We are saying quite clearly that we do not accept Mr Davignon's targets. We do not accept the arguments of the British Steel Corporation. But this resolution is about the social consequences for 52 000 people and their families, and we are asking this Parliament to show some concern for those people and their families. We are saying — and I think the words of the resolution are — that we should suspend all redundancies until further discussions have taken place. So this resolution is asking for time for the whole problem of the steel industry to be debated on a European dimension. At the moment, however, it is in one particular country that the people are being most affected. We sometimes pass resolutions here where I think the degree of urgency is marginal, but in this case it is absolutely urgent, because the problem arises this very month.

I hope that this Parliament will not see it as just another British political problem, but as a problem that every country in this Community will have to face at some time or other as the economic crisis begins to bite in other countries besides the United Kingdom. I hope it will recognize that a number of people are going to be thrown out of work and that it must concern itself with the social consequences of that problem. So I hope that the House will support this resolution for that particular reason.

(Applause)

President. — I call Mr Glinne to speak on behalf of the Socialist Group.

Mr Glinne. — *(F)* Madam President, my group requests that, pursuant to Rule 35 (4) of the Rules of Procedure, the vote be taken by roll-call.

President. — A vote will now be taken by roll-call using the electronic system.

I call Mr Rogers on a point of order.

Mr Rogers. — Madam President, if there is to be a vote by roll-call as requested and if it is to be taken electronically, can we be assured that the names are going to be recorded, because the last time it was used the names were not listed? The last time there was a fault. This time are you going to be sure that the names will be recorded?

President. — Of course, Mr Rogers, since a request for a roll-call has been tabled the names will be recorded during the electronic vote.

I call Mr Klepsch.

Mr Klepsch. — *(D)* Madam President, as we have to wait a while, I should like to give a brief explanation of vote, because urgency is not the only thing on which decisions can be taken. I should like to say that in my group's view there is no reason for urgency. Anyone who has really studied the paper will realize that the motion is based on the outcome of a hearing. There is no decision at all which has to be taken now and which would require action by Parliament. All this is a demagogic propaganda campaign, and we cannot abuse the urgency procedure for this, something we have now discussed at several meetings of Parliament's Bureau. One Member has rightly pointed out that if we adopt urgency on this basis, we may be incessantly discussing any difficulty that exists somewhere in the Community. For this reason we cannot agree to urgency. We would be setting a precedent. No one

Klepsch

would understand why we did not adopt the urgency procedure for other, similar cases. I therefore wish to inform the House that my group will not be voting in favour of urgency.

(Applause from the right)

President. — I call Mr Rogers.

Mr Rogers. — Madam President, you said there was to be one speaker for and one against. As there have now been two speakers against, will you now allow another one for? Or at least explain . . .

President. — Mr Rogers, since you have the Rules of Procedure in your hand, read Rule 14. You will note that, in the present case, the author of the question may speak for three minutes, then one speaker for and one speaker against, after which the group spokesmen may each speak for a maximum of three minutes.

The debate is closed.

I put to the vote the request for urgent debate.

The result of the vote is as follows:¹

Votes cast: 208.

For: 96.

Against: 108.

Abstentions: 4

The request for urgent procedure is not adopted. The motion for a resolution will therefore be referred to the appropriate committee.

I call Mr Albers on a point of order.

Mr Albers. — *(NL)* Madam President, we have just heard speeches in favour of urgency, others against urgency, and at the end, shortly before the vote, Mr Klepsch, speaking as the chairman of his group, referred to demagogu . . .

President. — Mr Albers, you may only speak on a point of order, not to give an explanation of vote.

Mr Albers. — *(NL)* . . . Madam President, in March of last year a large majority of this Parliament adopted a resolution opposing large-scale dismissals. As a re-

quest has now been made for mass dismissals in the United Kingdom to be debated by the urgency procedure, I cannot see how a chairman of a large group can talk about demagogu.

(Applause from the left)

President. — We now consider a motion for a resolution by Mr Marchias and others (Doc. 1-838/79): *Violations of human rights in the European Community.*

I call Mr Marchais.

(Mixed reactions)

Mr Marchias. — *(F)* Madam President, ladies and gentlemen . . .

(Interruptions)

President. — Allow the speaker to proceed.

Mr Marchias. — *(F)* I hope, Madam President, that you will not count these interruptions towards my speaking time.

On behalf of the French members of the Communist and Allies Group I have just tabled a motion for a resolution requesting the setting up of a committee of enquiry into all violations of human rights in the Community countries and also in the institutions of the European Economic Community. This is the first time since the election of our Assembly that a motion of this kind has been tabled. Of course, the words 'human rights' have often been used. No fewer than 89 resolutions on this subject have been tabled in the space of 8 months. There would be every reason to welcome this if 88 of those 89 resolutions had not concerned countries outside the European Community. In this way you put on a show of taking an interest in human rights throughout the words only as a means of glossing over the daily violations of these rights in our own countries.

We do not accept this hypocrisy. We ask that this subject at last be discussed today. We ask the German Social Democrats, Liberals and Christian Democrats here in particular to throw light on the case of the 4 000 citizens of their country who are excluded from the public service under the *Berufsverbot* system and on the two million or so people who are the victims of police enquiries.

We call on the British Conservatives and Labairites to throw light on the situation in Northern Ireland, which through your doing is still the subject of military occupation, torture and prison camps.

¹ See also minutes of the sitting

Marchais

We call on the representatives of the French middle-classes to throw every light on violations of trade-union and political rights, on discrimination against women, young people and immigrant workers, on the subjugation of the major information media and the plots against public figures. Finally . . .

President. — Please conclude, Mr Marchais.

Mr Marchais. — (*F*) . . . we call for the suppression of so-called 'security' enquires . . .

(*Protests*)

President. — Mr Marchais, your three minutes are up.

Mr Marchais. — (*F*) . . . and the police-like questionnaires . . .

President. — Mr Marchais, you have already spoken for three minutes.

Mr Marchais. — (*F*) . . . within the European institutions, and we call on the Community to stop trying to exert pressure of all kinds on the peoples of the Third World. These few factors, of which there are many more, justify . . .

(*Protests and interruptions*)

Be quiet, you Versaillais. So we are asking for an urgent debate to be held in this Assembly on our motion for a resolution.

(*Applause from the Communist and Allies Group*)

President. — I call Mr Chambeiron.

Mr Chambeiron. — (*F*) Madame President, we shall, of course, be voting in favour of the request for an urgent debate made by Mr Marchais. But I should like to say, Madam President, how surprised I am at these demonstrations of intolerance when questions are raised that normally should interest our Community. There are people in this Assembly who laugh when human rights are mentioned and who claim to be the defenders of these human rights. I would remind the House, as Mr Marchais rightly did, that we have devoted whole days to discussing human rights outside the Community.

I shall not repeat what Mr Marchais has just said. I simply want to say that we shall, of course, vote in favour of the request for urgency. But we shall also vote

in favour of the urgency requested by our French Socialist colleagues, because it reflects our concern to a certain extent.

However, I have one reservation. It is undoubtedly a good thing to discuss human rights. But discussing the situation in all countries will result in our forgetting that within the Member States of this Community very serious violations of human rights also occur. The problem must be seen in the right perspective. If you also want to defend human rights in the Community, you must agree to an *ad hoc* committee being set up. If not, you run the risk of swamping all the problems in an endless debate and of doing precisely the opposite of what you claim you are trying to do. I repeat, we shall vote in favour of the request for the application of the urgency procedure to the motion for a resolution tabled by the French Socialists.

(*Applause from the Communist and Allies Group*)

President. — I call Mrs Macciocchi.

Mrs Macciocchi. — (*F*) I should like to say that we are opposed to the application of the urgency procedure for this motion for a resolution for the following reasons: we have before us a mutilated resolution in that it concerns only one very small aspect of human rights, to which I will revert in a moment. The basic question we face is that on several occasions in this very Parliament we have opposed the groups which are today tabling this motion for a resolution on the question of human rights. We are concerned not only with human rights in Europe, but which human rights throughout the world. In my view, human rights are indivisible, they cannot be trampled on, in Afghanistan, in the Third World, anywhere people have coloured skins . . .

(*Applause*)

Please, ladies and gentlemen, do not applaud me, because it will be said that I have been applauded more by the the right wing than by the left — however well intentioned it may have been — but, as you know, I do not think much of this type of concept, I believe in ideas. The question is that human rights cannot be separated from foreign policy as a whole. What use is a foreign human rights policy when the fact that the rights of the Cambodian people are being trampled on is now being applauded. When we said in this very Parliament that the Cambodian people were demanding their right to independence, we were booed: there were references to a practical joke. So we have two examples: Afghanistan and the problem of Cambodia, where I feel the question of human rights has been evaded by those groups who do not attach any importance to human rights at world level.

Macciocchi

In my opinion, this is a general and absolute problem. I do not divide men into those with white, yellow and black skins. Human rights are rights which must be respected everywhere. I feel that we cannot vote in favour of this request for urgency while the major legal problems — in other words the European legal dimension, the right to take violations of fundamental rights in a Community country to the Court of Justice, and more specifically the protection of civil and political rights under Article 169 of the EEC Treaty — have not yet been dealt with, just as workers of Europe, citizens of Europe do not have the right to vote or to stand for election. I know, of course, that the right to work, the right to shelter and the right to health are basic rights within the Community, but I believe that they point above all to the need for a new political strategy in certain quarters. It is not a committee which will solve these problems . . .

President. — Mrs Macciocchi, your speaking time is up.

I call Mrs Weiss to speak on behalf of the Group of the European Progressive Democrats.

Mrs Weiss. — (*F*) On behalf of my group I oppose the request for an urgent debate on the motion for a resolution tabled by Mr Marchais.

One reason for this opposition is a personal one. I am probably the only person in this Assembly to have talked to Vladimir Ilyitch Lenin and his closest collaborators on the aims of their world revolution to the benefit of eternal Russia. Unfortunately most of my friends from those far-off times have gone, executed or assassinated in accordance with the rights of Soviet man. Furthermore, wandering the world, not without admiration for the consistency and skill of the Kremlin, I took part in the systematic compilation and the distribution of its agitprop texts that set out to undermine — as a means of conquering — the psyche of anti-totalitarian societies. The text Mr Marchais is proposing to us stems from that time, and I cannot resist the temptation of responding today with the celebrated command of our national poet, Victor Hugo, in the *Burgraves*: 'Be quiet, young man!'

(*Applause*)

My second reason for opposing this request is a procedural one: the requests for urgent debates which we are being bombarded with are becoming harmful to the very authority of our Parliament. They are not in keeping with the time Parliament needs for information and reflection . . .

(*Applause*)

. . . and I believe that I am now expressing a feeling that has gradually become wide-spread in this Assembly, which wants its opinions to be, through their quality, exemplary. Furthermore, the Community countries have nothing to hide, all the documents, all the statistics Mr Marchais has demanded exist. The committee he proposes will simply have to examine them.

And my third reason for opposing this request: Come on, Mr Marchais, let us get down to brass tacks, as you would probably put it.

Let us agree once and for all on a minimum definition of democracy, a definition which you will not contest . . .

President. — Please conclude, Mrs Weiss.

Mrs Weiss. — (*F*) Yes. A democracy is a regime in which the opposition is neither underground nor in prison. Mr Marchais, you are living proof of this!

(*Applause*)

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

Mr Galland. — (*F*) To quote the Bible: 'Why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?'

Mr Marchais and the French Communist Party, who defend the Socialist republics that symbolize the absence of human rights, Mr Marchais and the French Communist Party, who represent the kind of society which constitutes the greatest possible risk for the future of our freedom, have disqualified themselves from speaking on violations of human rights. If Mr Marchais and the French Communist Party want to extend the debate, we are prepared to have an urgent debate on human rights in the world, as Mrs Macciocchi has requested, human rights in the East and human rights in the West. We shall then see, Mr Marchais, where there is cause for concern as regards human rights.

President. — I have no further requests to speak.

I put the request for urgent debate to the vote.

The request for urgent debate is rejected.

President. — I have received a request for urgent debate on the *motion for a resolution by Mr Jaquet and others (Doc. 1-841/79): Human rights.*

I call Mr Jaquet.

Mr Jaquet. — (*F*) Madam President, some members of the Socialist Group have in effect requested an urgent debate on a motion for a resolution concerning action to be taken to ensure respect for human rights. It need hardly be said how important this motion is. Throughout the world human rights are held up to ridicule. This is true of the East as of the West, of the North as of the South. It is true of our Community and even more so of certain other regions . . .

President. — Mr Jaquet, I am terribly sorry, but we cannot consider the matter now as the text has not been distributed in all the languages. Provided you have no objection I propose that the request be put to the vote this afternoon.

I call Mr Glinne on a point of order.

Mr Glinne. — (*F*) May I speak on a vote that has just been taken? I am sure I voted in favour of Mrs Clwyd's resolution on the British steel industry. But I am told that the machine put me down as absent. It cannot be working properly.

President. — Are you sure you pressed the button?

(*Laughter*)

Mr Glinne. — I am sure I voted.

President. — A check will have to be made to see if the machine is working properly. If there has been a mistake, Mr Glinne, you will be informed.

I call Mr Rogers.

Mr Rogers. — Madam President, if it can be demonstrated that a person actually voted and is not recorded as having voted, — I have had experience before, as you know, of the electronic system — I would want to call into doubt the validity of the vote taken. Mr Glinne was there, you know he was there, you know he voted, but the record shows that he was absent or didn't vote. It is a matter of great principle, Madam President, especially if there are marginal votes and if there are difficulties. I am sorry to create a problem. I realize what your position is, but it is a very important issue when a Member's vote on a roll-call is not recorded. It is no good people shaking their heads. If they believe the votes are not important, then they believe that democracy is not important. Now, I can expect that from the Conservative party, but I would not expect it from this Parliament!

President. — A roll-call was taken. It is for each of the Members to check the list to ensure that there have been no mistakes. It is easier to determine whether or not the machine worked properly. Each Member can check whether his vote was correctly recorded.

I call Mr Rogers.

Mr Rogers. — I accept your ruling, Madam President, because I realize that you have to expedite the business of Parliament. Can I be assured that, because of the narrowness of the vote and because of the immense urgency of this matter in relation to my area in particular, if there are discrepancies in the voting, you will vote again tomorrow, if necessary electronically, because I would not want to hold up the business of the House?

President. — No, Mr Rogers, it is not possible to take a fresh vote tomorrow. We shall note any requests for rectification that may be made, provided they are made at once.

I call Mrs van den Heuvel.

Mr van den Heuvel. — (*NL*) Madam President, can you tell us how we can see the list which shows how the machine has recorded our votes? If this is only to be found on the President's desk, it is rather difficult for Members to check whether their vote has been correctly recorded.

President. — The list will be available in a few moments. It will be at the disposal of anyone who wishes to check it

I call Mr Boyes.

Mr Boyes. — I am very unhappy about this procedure, Madam President. If you take a roll-call electronically then it is an electronic roll-call vote, but if, as you are now saying, people can come up and say I voted this way or I voted that way; my name has not been included, that is a roll-call vote by a different method altogether. What we have here is the worst of both worlds: partially an electronic roll-call and partially a normal roll-call.

(*Interruptions*)

There is another rule that calls for the exclusion of people who are generally a nuisance . . .

President. — Mr Boyes, I must interrupt you as the point of order is closed.

The machines are not infallible and if certain Members of Parliament now feel that an error has occurred, we shall correct it at once.

To Mr Cronin's report, I would inform the House that the list of speakers for all today's debates will be closed in 15 minutes.

I call Mr Chambeiron.

Mr Chambeiron. — (*F*) Madam President, I should very briefly like to suggest the following: to avoid any dispute over the use of electronic voting, would it not be possible, as is done in certain countries, particularly France, to post the result of the electronic vote in the corridors so that every parliamentarian can see whether the machine has recorded his vote correctly? I feel that this would put an end to any further discussion.

President. — Thank you for your suggestion, Mr Chambeiron. We shall act upon it.

Are there any objections?

That is agreed.

5. Documents received

President. — I have received from Mr Spinelli, on behalf of the Committee on Budgets, a report on the proposal from the Commission of the European Communities to the Council (Doc. 1-758/79) for a decision implementing for the second time Decision 78/870/EEC authorizing the Commission to contract loans with a view to promoting investment in the Community (Doc. 1-840/79).

6. Authorization of reports

President. — Pursuant to Rule 38 of the Rules of Procedure, I have authorized various committees to draw up reports:

— *Committee on Budgets*

a report on convergence (on those aspects of the question falling within its terms of reference)

— *Committee on Economic and Monetary Affairs*

a report on convergence (on those aspects of the question falling within its terms of reference)

a report on the economic aspects of the exploitation of the seabed (third United Nations Conference on the Law of the Sea)

asked for its opinion: Committee on Agriculture and Legal Affairs Committee

— *Committee on the Environment, Public Health and Consumer Protection*

a report on the Second Commission Report on the state of the environment.

— *Committee on Development and Cooperation:*

a report on the operation of STABEX

asked for an opinion: Committee on Budgetary Control

7. Referral to committee

President. — After being informed of the agreement reached between the two committees concerned the Bureau has decided to reverse its decision of 10 December 1979 (*see Item 7 of the minutes of that date*) concerning the motion for a resolution by Mr Albers and others (Doc. 1-536/79), which has now been referred to the Committee on Transport as the committee responsible and to the Committee on Social Affairs and Employment for its opinion.

8. Regulations on regional development measures (continuation)

President. — The next item is the continuation of the debate on Mr Cronin's report (Doc. 1-715/79), on behalf of the Committee on Regional Policy and Regional Planning, on the proposals from the Commission of the European Community to the Council (Doc. 1-451/79) for regulations instituting specific Community regional development projects under Article 13 of the ERDF Regulation.

It was decided, at the sitting of 15 February 1980, to postpone consideration of this report.

I call Mr Griffiths to speak on behalf of the Socialist Group.

Mr Griffiths. — Madam President, on behalf of the Socialist Group I welcome these first proposals from the Commission under Article 13 of the European Regional Development Fund Regulation.

Griffiths

This welcome, however, can only be a qualified one. At the moment the ERDF in general and the non-quota section in particular cannot possibly achieve its objective of reducing regional imbalances in the Community. A 5 % allocation for the non-quota section of only 350 million units of account up to the end of 1984 is derisory. Such an allocation is totally insufficient, and the general policy in the Regional Fund is as inadequate as the funds are meagre.

The resolution of the Committee on Regional Policy and Regional Planning seeks to emphasize the need to increase the funds available because of the magnitude of the problems facing the regions of the Community, and the Socialist Group supports this entirely. Moreover, we press the Commission to submit as a matter of urgency, to quote from the resolution before the Parliament, 'further proposals to provide help for those regions presently facing the most serious economic and social difficulties. Sectors specifically mentioned in the resolution include coal, steel, textiles and shipbuilding. At this point, bearing in mind the defeat of the urgency resolution on steel closures in Britain, I know that my Socialist comrades will allow me the liberty to mention specifically South Wales and the North of England, regions of this Community which wait with bated breath for the axe to fall on thousands of jobs. It will require massive investments both by the national governments and this Community to try and provide new jobs for those who will be left idle.

Mention of these sectors and regions will indicate to the Parliament the magnitude of the problems involved. It should also indicate to the Parliament that money alone is not enough. There is an urgent need to coordinate all aids which are available to the regions and, perhaps even more important, to alter those policies which make the problems of the regions more difficult to overcome. The Socialist Group eagerly awaits further Commission proposals because it believes this is preferable to adding extra regions or sectors to the existing proposals, for this would serve only to dilute the effectiveness of these proposals. In future, however, we would want the Commission to provide the committee in writing with the analysis on which they base their priorities for aid in the non-quota section. This will enable the Committee on Regional Policy and Planning to participate more effectively in the development of the non-quota section.

The Socialist Group joins with the committee in regretting the lack of Community criteria on which to base allocations from the non-quota section. We believe that the non-quota section should provide aid to those areas suffering from the most serious economic and social problems, particularly if this is due, in part of the country at least, to the effect of other Community policies. In assessing those regions most in need we would wish to include consideration of three major factors: firstly, unemployment levels generally and the numbers unemployed in specific industries facing diffi-

culties; secondly, the relative wealth of regions and particularly the rate of change in the gross domestic product per head of population and thirdly, the depopulation figures over a five-year period. It is a pity that the Council was unable to agree on a policy framework for the non-quota section which would have enabled the institutions of the Community, Council, Commission and Parliament, to respond much more quickly to the needs of particular regions or sectors. The Socialist Group takes the opportunity of this debate to appeal to the Council to provide such non-quota guidelines so that the aid is provided speedily where it is most needed.

In concluding I would like to highlight briefly Socialist Group support for other important aspects of these proposals. Firstly, the higher rate of Community financial aid to projects in the non-quota section as compared to the quota section of the ERDF. Secondly, the commitment by the Commission to seek a greater involvement of local and regional authorities in the development of the non-quota regional aid programmes. Thirdly, the greater flexibility in the use of non-quota funds for regional development, for example, money set aside to aid industrial initiative rather than for infrastructure projects or industrial development on the grand scale as tends to happen in the quota section. Fourthly, the payment of money directly to beneficiaries as part of a carefully monitored programme which would help to secure the principle of additionality enshrined in the ERDF but hardly honoured by any government at present. Fifthly, the almost unanimous view of the Committee on Regional Policy and Planning, which affirms that greater economic and political cooperation can only be achieved through policies which eliminate regional disparities in wealth and economic activity.

Thus, Madam President, the Socialist Group generally supports the Commission proposals and the resolution of the Committee on Regional Policy and Regional Planning, though it would wish to emphasize to the Commission and the Council the need for a larger non-quota section, a further set of non-quota proposals for regions facing grave problems and Community policies which work together to overcome regional imbalances as a prelude to a more harmonious development of the Community.

President. — I call Mr Pöttering to speak on behalf of the Group of the European People's Party (CD Group).

Mr Pöttering. — (D) Madam President, ladies and gentlemen, after hearing the hypocritical and demagogic contribution of that leader of Communists, Mr Marchais, I am glad that we have an opportunity in this Parliament of discussing the central issue that really affects Europe. Allow me to begin with a criticism.

Pöttering

The Cronin report on regional policy was to have been discussed on the Friday of the last part-session. It was then removed from the agenda at 1.30 p.m., because we did not have the necessary time to discuss this important matter, because requests for urgent debates were constantly being submitted and declarations of vote constantly being given. I would therefore welcome it — allow me to take this suggestion: this is the first time I have spoken in this Parliament — if in future we could take important issues pertaining to the internal development of the European Community at a time when we can have a thorough debate.

We are discussing regional policy, that is the question of assisting the structurally weaker regions. This should be among the most important areas of European policy not only at present, but also, and above all, in the future. I feel that this Parliament should make it quite clear that regional policy, which is today only in its initial stages, must become an essential item, a pillar of European policy. Let me give an example: the Europeans in the European Community are all in the same boat. In this boat there are seats and there is standing room, which is less comfortable. But if this boat sinks, not only those who only have standing room but also those who have the comfortable seats and go down with it. That is why, particularly in the regional policy, we should demonstrate solidarity, and the principle should be that people find jobs where they live, where they were born, where they have their families, where they have their friends, the social structures, and no one in Europe should be forced to leave his home simply because he cannot find a job nearby. This must be the basic principle of the European regional policy.

I see Mr Giolitti and Mr Mattheisen on the Commission's front benches. On behalf of my group I should like to thank the Commission for attaching so much importance to the regional policy. At the same time, however, we must criticize the fact that the Council of Ministers have not in the past done what is necessary to make of the regional policy a central issue in European policy. It is quite intolerable that Regional Fund resources are not today transferred directly to those concerned and to the applicants rather than being paid into the national budget by various roundabout means. This must be changed.

As regards the non-quota section, we must make it quite clear that the 5 % earmarked for this section is in no way adequate, because we expect the non-quota section of the Regional Fund to give rise to a genuine European regional policy, initiated jointly by the Commission and Parliament and coordinated with the regions for which the support measures are to be taken.

I find it intolerable, and we must definitely oppose it, that the Council should invoke the unanimity principle with respect to the non-quota section, which means that agreement can be reached on the project proposed by the Commission only when all the Ministers

represented in the Council give their consent. This is an anachronistic view of the problem. If we introduce this unanimity principle into the regional policy, it will not be long before we have a blockade of the European regional policy. That is why we call for the introduction of the majority principle as a means of democratic coordination, so that the welcome proposals put forward by the Commission, Mr Giolitti, Mr Mattheisen, may be implemented. You have submitted the proposals, and so far we have been frustrated by the Council, which has adopted stonewall tactics.

But just as important as the resources and the instruments is the content of the regional policy and above all of the non-quota section. We should regard the support the Community gives as a means of helping those concerned to help themselves, that is as aid for action aimed at enabling young people, particularly in Europe, to find work and at creating jobs, and I am referring here specifically to the craft sector, the medium-sized and smaller undertakings, because we want property spread wide and because we know that jobs in these sectors in particular are especially safe.

I feel this should become a fundamental trend in the European regional policy. The regional policy should not be there simply to eliminate crises that already exist, when, for example, a large undertaking is in danger: it should look to the future and take the action to which I have referred. This also entails the introduction of methods to check on the outcome, to establish what effect Community action has had, where the money has gone, whether it has been properly invested and whether the regional development programmes of the various Member States have been properly organized.

Ladies and gentlemen, we of the European Parliament have a major regional policy task to perform. Under the 1980 budget, which we rejected, we have about 1 200 m EUA in commitment appropriations. This is undoubtedly a large amount, but far too small for the major task faced by the regional policy. In the future we must take decisive steps and use the money that is made available in support of our basic position, which is that in the craft sector, the small and medium-sized undertakings should be supported and that jobs should be created for people, and in particular for young people, in Europe. We must be courageous in this respect. The citizens of Europe are looking to this Parliament, they are looking to the Commission and expecting us to do something. But we can only do something if the Council changes its attitude. It is for our Parliament to say to the Council that we will no longer accept its present policy in the future, that we expect more of the Council in the future, and that we take seriously the mandate we have been given by the citizens of the Community through the direct elections, that we of this Parliament represent a hope for the people, particularly young people, in Europe. We of the European Parliament must take effective action in this area with the Commission and the Council.

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

Mr Harris. — Madam President, I wish first of all to congratulate Mr Cronin on his report and also Mr Pöttering on his very inspiring speech which we have just listened to. Having said that, I and my group have distinct reservations about the proposals now put to us by the Commission and about the balance of the various sectors which are included in them. For example, my group feels that too much emphasis has been put on the enlargement aspect of the package and not enough on steel and shipbuilding to deal with the consequences of the rundown of those industries. Also, of course, there is the thorny question of how much money is in the end going to go to individual nations. Of course I accept fully that you cannot have a quota in a non-quota section, and I am certainly not arguing for that. I think it is a pity that this question of what countries get out of the Community has bedevilled this particular set of proposals, because the last thing the members of my group want is further delay in the implementation of the non-quota section. I very much hope that these difficulties which have arisen inside the Council of Ministers can be resolved with speed so that at long last a start can be made on implementing what we want, implementing a non-quota section, a genuine Community approach to regional policy.

On behalf of my group, I moved in committee some amendments to extend some of the areas of the proposals. I think there are anomalies in the proposals presented to us by the Commission. In United Kingdom terms, I think it is a pity that Tayside was excluded from the shipbuilding provisions and that Scunthorpe and other areas such as Derwentside were excluded from the steel provisions. But, of course, every member of the Committee on Regional Policy and Regional Planning can go to that committee and criticize the detailed proposals put to the committee in a scheme like this. The Commission has an impossible task if it sets out to try and please everyone, and I fully accept that. So, although I have these reservations about the details of the proposals, I am nevertheless going to urge my friends in my group to give them their support, and I do so because we firmly support the principle of a non-quota section.

We note the assurances given to the committee by Mr Giolitti about this being just the start of the non-quota section. We know, for example, that he has taken note of the suggestions made by myself and by other members of the committee for future proposals. We accept his assurances that he has noted these suggestions and will give them serious consideration.

So, I am asking my friends to give their support to this report and to the proposals because of the principle involved. We and our predecessors in this group in the previous Parliament have always been in the forefront of advocating a non-quota section, because we believe

that a non-quota section can give greater flexibility to the regional policy. In particular, some of my colleagues represent areas which can get no benefit at the moment from the quota section, and I accept that under the non-quota section one of the main aims should be to give help to particular black spots in what are otherwise prosperous regions. One thinks, for example, of the docks in London, an area with amazing problems, and yet, because it is inside a generally prosperous area, it is excluded from the quota section of the Fund.

So I hope that my colleagues will give their support to the report and to the proposals, so that we can make a real start with the non-quota section, achieve greater flexibility in the Regional Fund and fashion a regional policy which will have tremendous meaning for the Community. Most of the letters I get — and I am sure this goes for other UK Members and also for Members from other countries — are from people who are looking to the Regional Fund for help with projects of real value, and I think we must give them that encouragement and hold out the hope of help for worthwhile projects. So, I give my full backing to the principles of the proposals now before us, even though I do have reservations about some aspects of them.

Applause)

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

Mr Cardia. — *(I)* Madam President, Commissioner Giolitti and the people of Southern Italy and the larger islands are all well aware that even the generous injection of public money does little to alleviate, let alone neutralize, the effects of the constant drain of resources from the backward to the more industrialized areas which is the trade-mark of profit-based economies. The current recession has aggravated those effects. It is hard to believe that the situation will change as a result even of special measures, such as the proposed non-quota ones, when all they will do is provide the poorest and less developed regions of our countries with no more than 0.5 % of the Community's total annual budget expenditure.

This is borne out by the fact that taken together all the allocations from the Regional Fund, the non-quota section of which amounts to only 5 % per annum, have so far made little or no headway towards achieving a proper balance between the rich and poor regions of the Community.

Why, therefore, are people like ourselves showing a certain amount of interest in this modest and, so far at least, unwonted effort by the Community to make a direct contribution to the economic and social life of the more backward and remote areas of the Europe of the Nine?

Cardia

I believe it is because there is something special about these initial non-quota measures, at least as far as their aims and methods are concerned. By this I mean (1) that they constitute direct action by the Community, as distinct from a mere contribution to the expenditure and decisions of individual Member States; (2) that they are (or appear to be) better suited to regional requirements; and (3) they are more positive and inter-related. To my mind, however, the most striking feature of the non-quota measures is that their emphasis on planning and initiative takes for granted and more or less implies the coordination of all the Community's economic and social policies, whether aimed at the convergence of the national economies or at developing the economies of the various regions and placing them on a more equitable footing; this means an economic policy to suit the area concerned. This is what has aroused interest.

The Cronin Report, to which we tabled a number of amendments, sums up this interest fairly well. It criticizes the Community's regional policy rather severely, but goes on to ask for more generous financial provision and, what is even more important, to emphasize the need for radical review and the revision of the principles underlying the Community's regional policy and of the basic rules embodied in the Regional Fund Regulation now in force.

I think Mr Giolitti would agree that revision must cover a number of points and apply to both quota and non-quota measures and, in all probability, to the question why this distinction should be made at all.

Without wishing to anticipate the general debate on which, I believe, Parliament is shortly to embark, I should like to draw the House's attention to paragraph 9 of the motion for a resolution in the Cronin Report, which is based on one of our amendments which was unanimously adopted in committee. I should also like Mr Giolitti to take note of it, because it urges the Commission, with the agreement of the Member States, to intensify and extend contacts and consultation with the regions concerned through their elected representatives and official authorities, especially in areas where the word 'region' is not just a geographical or territorial expression but as in Italy denotes an autonomous territorial unit, endowed with its own legal and political personality and its own structure of government, with power to initiate legislation. In such cases, no regional development programme can meet the needs of the local situation unless it reflects the duly expressed wishes of the people, communities and social groups involved. For there can be no denying that, if the Europe of the Community is not a Europe of the people, the autonomous regions and the workers, it will not be Europe at all.

On this basis and with the reservations stated, the Italian Communist members will vote in favour of the Cronin Report.

(Applause from the left.)

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

Mrs Martin. — *(F)* Madam President, ladies and gentlemen, the Committee on Regional Policy and Regional Planning examined the Commission's proposals in depth at four meetings and adopted unanimously with one abstention the report which is before us today.

In its resolution of 13 October 1977 the European Parliament approved the creation of a non-quota reserve and felt that the assessment of the regional impact of the Community's policies could be used as a means of achieving the gradual transition from the simple administration of the Fund to the implementation of a true Community regional policy. The Commission must therefore be congratulated on forging the link in this way between certain Community policies and the situation in the Community's regions.

It should also be recalled that, under Article 13 of the Regional Fund regulation, non-quota section activities must differ from quota section activities and in principle be linked to the Community's policies so that better account can be taken of their regional dimensions or the effects on the regions mollified. The emphasis has been placed specifically on the enlargement of the Community and its effect on the region.

This seems to us particularly justified in that it clearly commits the Community. As long ago as 10 May 1979 our Parliament, acting on the basis of Mr Pintat's report, adopted a resolution on the impact of the further enlargement of the Community and sectoral aspects of such enlargement expressing the hope 'that the Council and Commission of the European Community will take into account at this stage that enlargement may increase the structural, economic and social disparities between the regions of its Member States, in particular along a North-South axis; and calling for all the necessary measures to be taken to attenuate the effect of these disparities, in particular by the establishment of a medium-term "Southern" plan to develop the industrial and social infrastructures of the Mediterranean regions'.

We find it far wiser to take action to prevent the disastrous effects that enlargement might have on certain regions, rather than waiting until the damage has been done and is thus far more difficult to correct, if it is not beyond repair.

We all want a harmonious enlargement, and we must find the means of ensuring this. I would refer in particular to the need for the ERDF to support the plan of the Grand Sud-Ouest in France. This, it seems to me, is the very type of action that should be favoured

Martin

by the ERDF, and my group would also like to have some details from the Commission on how it envisages taking action in this region.

The opinion of the Committee on Regional Policy and Regional Planning on the impact of the enlargement of the Community pointed out that both the consumer goods industries and the capital goods industries established in the already developed industrial regions of the Community would benefit, as a result of enlargement, from higher levels of demand and growth, which would further increase the lead they already have over the less-favoured regions, while agriculture in the Mediterranean regions of the original Member States would be exposed to stronger competition where products such as wine, olives, vegetables and so on are concerned.

The opinion of the Committee on Regional Policy and Regional Planning concludes that the already developed regions both in the applicant countries and in the present Community will benefit by new stimulus to growth, while the less-favoured regions will face additional problems. The committee recommends that a plan for the South be based on something similar to the Regional Fund, but that recourse should not be had to national quotas.

The European Parliament is therefore able to approve the division of finances among these initial proposals for action. Of course, the choice of Community policies or measures for specific activities is not exhaustive. In its future proposals the Commission will have to take other policies into consideration.

As regards the choice of regions and areas eligible for such non-quota action, the Commission has endeavoured to take account, on the basis of an examination of sectoral and regional situations, of the impact that Community policies will have. The link between these two elements — sectoral problems and regional problems — has been the determining factor in the Commission's geographical selection. It should be noted that in the steel and shipbuilding sectors the choice of areas is very restrictive. But the European Parliament must nevertheless approve this selection, because the resources available to the Commission — and this has been said by many Members — are very limited, and Parliament has always recommended the Commission to avoid giving a little to many and to concentrate the available funds. When the required increase in Regional Fund resources is made, the Commission must propose other areas for such action.

I now turn to the Council and ask it to adopt these proposals without delay so that the appropriations available for the non-quota section in the 1978, 1979 and, soon, 1980 budget can at last be committed. I too must take this opportunity to denounce the fact that the Council must take unanimous decisions on each project to be implemented. The Commission had proposed that the Council take its decisions by a qualified

majority, a proposal which, I feel, must be taken up at the time of the revision of the Regional Fund regulation, because that will help us to achieve the smooth functioning and the strengthening of the Community spirit that we all want.

President. — I call Mr Gendebien.

Mr Gendebien. — (*F*) Madam President, ladies and gentlemen, I should like to make two preliminary remarks. The first is that, having tabled 18 amendments, I propose that we should vote separately on amendments Nos 12 to 15, but that joint votes be taken on amendments Nos 16 to 20, 21 to 25 and 26 to 30, so that instead of having 18 votes, we shall have only 7, which will save some time.

Secondly, I should like to say that during the February part-session I personally deplored the lack of courtesy shown by Parliament to Commissioner Giolitti, who spent several days here to no avail, hoping that we would discuss the Cronin report. This casual attitude is an indicator of the lack of interest shown by our Parliament in the regional policy, and I feel that this should be stressed, especially as the Community's regional policy is still no more than a simple corrective, an aspirin designed to make the steady worsening of regional disparities in Europe more acceptable to the people.

For the first time, moreover, the Commission recognizes officially and explicitly in the report introducing the proposals which have been submitted to us, that Community action may have an undesired effect on the regions. This is particularly true of the partial restructuring of the steel sector.

The creation of a non-quota section in the ERDF therefore has, in my view, far too symbolic a value, although in principle I do, of course, support the proposal now before us. But it will not allow the basic problem to be tackled.

In this respect I should like to make three remarks. The first is that we have the feeling that the criteria governing the choice of regions and activities were not truly objective and that the choices, although undoubtedly made with a great deal of good will on the part of the Commission's officials, is in part a response to considerations of a political nature which are not being admitted.

It is, for example, incredible that more than half of the funds have been allocated to offsetting the future adverse effects of Community action, for example 120 m EUA for enlargement, while extremely limited funds are allocated to the proven and known adverse and undesired effects of Community action. This is especially true of the steel industry, whether it be in the South of Belgium, Lorraine or the South of Italy.

Gendebien

Secondly, we can but deplore not only the fact that the non-quota section represents a mere 5% of the ERDF, but also the decision-making process itself. The proposed regulations before us completely change the scope of the new section. Parliament has already said that it is in favour of a Community regional policy that is more independent of the governments, but we are still very far from this, since the special programmes are all subject to each Member State's right of veto and, unfortunately, the Commission is obliged to submit to this procedure. Furthermore, this is in flagrant violation of the normal budgetary rules of the Community.

Thirdly, I would point out that on several occasions since 1975 our Assembly has called for the participation of the regions themselves in the implementation of the Community regional policy. This has today been refused both by the Council and by the Commission. Why reject the direct and, I would say, officially recognized dialogue between the Commission and the regions? This is one of the questions which remains unanswered.

Madam President, before concluding, I should like to add that all the amendments I have tabled reflect the remarks I have just made. Some of them have been taken word for word from resolutions already adopted by Parliament. If it rejects them, Parliament will therefore be going back on itself, and the allegedly legal arguments that have been advanced by some Members in rejecting them scarcely conceal their true motivation, which is a lack of political will to make progress towards a genuine Community regional policy which would be free of the influence, control and vetoes of the national Governments and national administrations. Madam President, Mr Commissioner, as you know, we shall not advance if we leave it at a centralized Europe. We must work towards a Europe of the regions and of the peoples, this being, I firmly believe, the future course we must follow.

IN THE CHAIR: MRS DE MARCH

(Vice-President)

President. — I call Mr Josselin.

Mr Josselin. — *(F)* Madam President, even though this European regional policy is still inadequate, we do not have too many Community policies, and we should after all be glad of the opportunity, Mr Gendebien, of having a brief debate on the regional policy question.

As I hope we shall be having another opportunity of debating this matter at the time of the reform of the Fund, I shall confine myself to a number of remarks,

since Mr Griffiths has just put the Socialist Group's view, which I naturally share in every way, and this only goes to show that from time to time a Britisher and a Frenchman can agree on something.

I would like to begin by stressing the importance of this regional policy, because it is based on an idea of solidarity which, it must be said, runs counter to a recent fashion that might be called mounting egoism. This is a way of facing the crisis which seems very worrying to me, even when it is not given encouragement. This mounting egoism is accompanied, as we know, by a withdrawal often encouraged through restructuring policies, thus accentuating the disparity between the centres and the peripheral regions. We must be aware of this.

At first sight, the non-quota activities are more interesting than others because they are, in my view, more European since the criteria are Community criteria and the choices are made by the Community bodies more than is the case with the quota policies. However, as regards the Community criteria, I would hope that here again the Commission would continue to look ever more closely at the subject so as not to confine itself to too arithmetic an analysis of this idea of criteria based almost exclusively on incomes. I have already had the opportunity of expressing my views on this subject, and I hope that greater account will be taken of public amenities, of access to health facilities and education in an attempt to assess the situation in each region. I would also point out that there can be no solidarity without knowledge, which means that we must have at European level statistical instruments providing comparable data so that we can better assess the situation in the various regions.

In my opinion, this non-quota policy will have no meaning unless it is equipped with more extensive financial resources. The excuse that we must not give a little to too many cannot be kept up for long. This idea of giving a little to the many is mentioned when the resources are limited, but if we have more resources, we could, we could have — I think the Commission shares my view — included other regions. Whether we are talking about the effects of future enlargement or of criteria in terms of employment, the growing weight of agriculture or fishing — and I am not referring only to the region of Brittany, which I represent — it goes without saying that other regions also deserve to benefit by these non-quota activities.

Like Mr Gendebien, I should like to see greater regionalization of procedures. This does not necessarily mean that there should be no further discussion with the Member States concerned, but the dialogue should at least be established with the authorities in the regions themselves, and all the details should be available so that we can avoid that great silence which too often prevails at negotiations between Member States and Community bodies. I should also like to take this opportunity to stress that Parliament's powers of con-

Josselin

trol over the effects of these activities must be increased. At our committee meetings, as the Commissioner will recall, examples were given to show that there have been frequent cases of resources being diverted. Here again resources have been used for purposes for which they were not intended. We must have the means to verify that they have definitely been used as we expected. This raises the question of the means the parliamentary committee has for making documentary and spot checks. I hope that proposals will be submitted to us. This raises the question of the sanctions which there should be no hesitation in taking against anyone who has not made good use of the funds he has received.

But, of course, for a Socialist the essential thing is that the objectives of this regional policy become more 'socialized'. While our aim is to reduce inequalities, we also demand the right for the regions to develop in different ways. It is not a question of this regional policy making us party to the conquest of Europe by a brand of capitalism which resorts on a large scale, including the European level, to a division of labour which is far from being in the true interests of the regions. Faced with all the proposals now before us, I would repeat that the regional policy, the reduction of inequalities may be a way out of the crisis, as long as the chance to introduce regional decision-making powers is taken, so that all local resources, even the minor ones, can be exploited. I consider this to be absolutely essential.

I shall close, Madam President, by saying that I hope this regional policy will not be used to ease Parliament's conscience, because other policies — the agricultural policy, the industrial policy and perhaps even the transport policy for example — would completely thwart our objectives if they accentuated the regional inequalities.

(Applause)

President. — I call Mr Taylor.

Mr J. D. Taylor. — Madam President, firstly I would like to say that I am a strong supporter of regional policy within the Community. Like many others in this House I come from a region, that requires greater development, a peripheral area that suffers from massive unemployment. Northern Ireland, with an average of 11 % unemployed, varying to extremes of over 25 %, is clearly an area qualifying for regional aid and is recognized as such by both the United Kingdom Government and the Community.

I would like to join my colleague Mr Harris in welcoming in general some of the items in the present non-quota proposals, but at the same time I share with him our disappointment that, from a national point of view, there are certain gaps in the proposals before us.

Now I accept that the proposals must be limited. There are five proposals. There will be others as the non-quota scheme develops. But at the same time there are noticeable gaps as it stands at present. For example, there is scope for more Community aid to urban areas, not only in the United Kingdom but in Belgium, France and in other areas where there is urban decline. We have mentioned this morning places like Scunthorpe, Tayside. These are areas we would have liked to have seen included. We believe that there is too much emphasis in these first proposals in the non-quota scheme on aid to rural areas.

The second point is that, although it is a non-quota scheme, what do we find? In the context of the United Kingdom we are getting almost exactly the same percentage from the non-quota as we get from the quota section; and so whilst I agree with my honourable friend that in fact the proposals are not particularly welcome, I cannot agree with them that I should support proposals which are not welcome. I voted against these proposals by means of amendment in the committee. I do not intend to waste the time of the House this morning with amendments. They are gone and done with, but I certainly will not be voting for proposals with which I personally disagree, proposals which my party in the country at home disagree with and proposals which my own government has vetoed in the Council of Ministers. We must be consistent on policy.

Naturally, Madam President, with the limited time available I must concentrate my closing remarks on the two projects within this fund which affect my part of the United Kingdom — Northern Ireland. The first one of course is shipbuilding about which I spoke at some length at the last session. I do not intend to repeat the facts and figures this morning, except to say that I particularly welcome the fact that Commissioners Giolitti and Cheysson and those involved have selected shipbuilding areas throughout the United Kingdom as one of the projects. We in Belfast, like other parts of the United Kingdom, will benefit in this respect, and I want to place on record, so that people back home in the United Kingdom and particularly in Northern Ireland will know, that on the initiative of the Commissioner the proposals have now been amended to include, not just the small district of Belfast, but also the adjoining urban areas of Belfast in the districts of Castlereagh, Newtownabbey, North Down, Lisburn and Carrickfergus, and we do indeed thank the Commission for amending the proposals in that respect.

The second issue, Madam President, which affects Northern Ireland is of course cross-border aid. Cross-border aid is supposed to be a proposal affecting grants on either side of the international border between the United Kingdom and the Republic of Ireland. But of course these proposals are nothing of the kind; they are not cross-border aid. They are proposals for small tourist projects on either side of the inter-

Taylor

national border; not across the border but on either side. They are proposals for little craft industries — fiddling with money in little projects along the border. A waste of money! The Commission knows it; I know it; and the people of Northern Ireland know it. The Commission has had numerous motions from the District Councils throughout the province rejecting these proposals.

I have looked into this matter and I condemn the Commission for their proposals, but I want to correct my position somewhat today. I have discovered that these proposals were indeed initiated by the so-called Northern Ireland Office. Now there is a Scottish Office with Scottish Ministers, there is a Welsh Office with its Welsh Ministers, but there is no such thing as a Northern Ireland Minister in the Northern Ireland Office. The Northern Ireland Office is imposed upon the people of Northern Ireland without their consent, and it is a denial of democracy because it is not even answerable for its decisions to the people of Northern Ireland. Therefore proposals which come from the Northern Ireland Office do not represent the views of the people of Northern Ireland. I can assure you, Madam President, that the Commission and the Northern Ireland Office will be laughed out of court when the people of Northern Ireland hear that this Parliament is about to approve, and perhaps the Council of Ministers will eventually approve, the expenditure of £5 million on tourist projects and picnic sites in places like Crossmaglen, Carrickmore and the Bogside! For that is what they are doing. Areas where people are being murdered! Areas where the mass of people of Northern Ireland would not even dare to go! And yet this Parliament is about to approve, on the ridiculous recommendation of the Northern Ireland Office, the expenditure of £5 million.

Now the final aspect of this issue I wish to mention is the fact that, although at times in Ireland things seem illogical, in fact — and I know my honourable friend as a regular visitor from South Scotland finds it somewhat confusing at times — nonetheless, Madam President, believe it or not, the border is the same length on both sides, no matter which way you look at it. If you look at the international border from Dublin it is exactly the same length as if you look at it from Belfast. Yet what do we find? £10 million on the southern side of the border, but only £5 million on the northern side. Now in the Irish context where there is great feeling, where there is bitterness, where there is death, it is important that the Community is seen to be an impartial force, is seen to be contributing fairly and equally to all communities in the island of Ireland. This proposal fails miserably on that ground. When I proposed an amendment that there should be £10 million spent on either side of the border, what did I find? That all the southern Irish Members, with the honourable exception of the Independent from Donegal-Connaught, Mr Blaney, together with Mr John Hume voted against Northern Ireland getting the extra £5 million so that there would be £10 million spent

on both sides of the border. That decision was unfair. It makes me stronger in my resolve that Northern Ireland shall have little to do with the Republic of Ireland.

And the final point on this scheme across the border: we find, Madam President, that whereas on the southern side of the border the money is being distributed to all five counties along the border, in Northern Ireland it is not being distributed to all four counties along the border — not at all. A different regime will apply in Northern Ireland yet again. It will only go to certain districts along the border. I could give you many examples, but just this one proves the case. In the largest county along the border, County Tyrone, the district with the highest unemployment level is Cookstown, the district with the main tourist area is Cookstown because it has Loch Neagh and the Sperrins and that is the one district which is excluded from this scheme. Why is it? Back home it will be assumed that it was excluded because it was pro-British. That is an unfortunate way to interpret it. And this type of thing could have been avoided if the basis for allocation of money was equal in amount on both sides of the border, and equal in basis, i.e. on a county basis on each side of the border.

And so I conclude my remarks in this context by repeating that I cannot vote for this report. We in Northern Ireland do of course appreciate the money that has been allocated to us in these two respects by the Commission and — hopefully soon — by the Council. But I do hope that in the case of regional aid for a place like Northern Ireland in respect of the other issues I have mentioned in the last few minutes, the EEC Regional Fund will be used for major projects with which the people can identify and see as Community aid to Northern Ireland. Sprinkling £5 million along the border on picnic sites for people who will not even go for picnics will not create much of an effect on Northern Ireland. If you want to have cross-border projects by all means have them. But have them where they will help the development of Northern Ireland and the South of Ireland. We could for example have the tunnel from Northern Ireland to Scotland — a great project that the people could see was a major Community contribution to the province — or much smaller projects if we wish. Take transport: there is no continuous rail link from Dublin through the city of Craigavon, through the capital city of Northern Ireland itself, Belfast, up to the city of Londonderry and the North West. Why not? Because there is still no rail link in the centre of the city of Belfast. If that kind of major project was aided, then we would have cross-border cooperation in a real sense — in a way that the people would benefit from and that the people would see happening. It would not be the waste of Community funds which regrettably, I feel, will be the case with these present cross-border proposals.

(Applause)

President. — I call Mr Martin.

Mr Maurice Martin. — (*F*) Madam President, I should like to point out to the Assembly and to the French Members in particular that voting on the Cronin report would anticipate the outcome of a debate now in progress in France. It is clear that in the circumstances any decision taken by the Assembly would represent flagrant interference in French domestic affairs. As it has sovereign power, it is for the French Government, acting on its own responsibility, to decide its regional policy.

Secondly, I should like to comment on the report itself. The famous specific non-quota activities are in fact official recognition of the logic and of the extremely adverse effects that enlargement of the European Economic Community would have on the South West of my country. The report — I quote from paragraph 8 of the motion for a resolution — ‘considers it appropriate to lay particular stress in the enlargement of the Community and its regional effects since the Community has definite commitments to honour in this connection’. It stresses in particular that certain regions would suffer serious disadvantages. You know what these disadvantages are, and they arouse considerable anger in the South West of my country. And understandably so. In the three regions concerned by the plan for the Grand Sud-Ouest, the number of unemployed has increased more than tenfold since the signing of the Treaty of Rome. More than 200 000 workers are out of work today. Thousands of farms have closed down. The exodus is assuming dramatic proportions. In certain departments one out of every three villages is now without a school. The Languedoc, Catalan and Basque cultures and languages have been stifled and crippled. With a record like this, there is really no reason to put out the flags.

The French Communist Party, being concerned with the development of the regions, their capacity for economic growth and the improvement of their social position, has recently drawn up precise proposals in a document. The French Communist Party can therefore only oppose the specific measures referred to in the Cronin report and, furthermore, it can only oppose the source of the evil which, it is claimed, those measures will alleviate, that is to say the enlargement of the European Economic Community. We are consistent in our views.

And now to my third comment. The anger, the anxiety about the future is turning the people of the South West against your projects. Yesterday I joined other Communist representatives in Montpellier outside the Regional Prefecture, standing side by side with the miners of the Gard department to demonstrate against the closure of the Cévennes field and against the ECSC policy and its present application, which was

described in the document submitted by Mrs Hoff, on which you have voted. I joined the miners in calling for the opening of new shafts. Again, last week, we Communists and Allies joined the lettuce, fruit and vegetable producers of Languedoc-Roussillon, the sheep-breeders, the wine-growers, the workers of the Punto Blanco company in Perpignan, which has been closed for several years. These workers are doomed to ruin by your policy.

That is why, faced with the workers' and farmers' anger, which you fear, faced with the fight this anger feeds, you need a passive population to implement your policy. That is why you hope to allay the fears and to sap the fighting spirit of this region by conjuring up the mirage of specific aid.

In fact, chloroform is being used. This brings me to my fourth and final comment: the South West, which is under-industrialized, needs a genuine industrial development plan. But that is not your intention, you do not want to create this economic infrastructure. All that you are proposing is some kind of aspirin for the small and medium-sized undertakings, which have been suffocated by your policy, the small and medium-sized undertakings, which can only develop if they hinge on major industry. As for tourism, to which you have referred, your real aim is not the development of social tourism. Your aim is to transform whole regions, like the Languedoc-Roussillon, into sunny areas, reservations for filthy rich Europeans.

The workers and people of our regions unfortunately know only too well how effective are promises of the kind you are making. They have already heard such promises, and they have seen that they do not always improve their situation. Quite the contrary: they have constantly worsened it. You want to go a great deal further today. You undoubtedly find the support of Mr Pisani, who stated in a recent interview with a regional newspaper, *La Dépêche du Midi*, how much he and his friends welcomed enlargement. But you will not have the support of the French members of the Communist and Allies Group. Ladies and gentlemen, we shall say no to the Cronin report, no the enlargement, no to the destruction it will entail for the South West.

(Applause from the Communist and Allies Group)

President. — I call Mr Maher.

Mr Maher. — Madam President, I should like to stress the very great importance of regional policy. I feel that in years ahead, when the history of the development of the European Economic Community comes to be written, its success or failure will be judged on the degree to which there was a transfer of resources from the more developed regions to areas suffering from under-development and depopulation.

Maher

That is largely what the European Community is about. If we cannot get a better balance between the various regions, then the European Community must be seen to be at least partially a failure.

The whole development of regional policy is a central issue, but, Madam President, one would not think so to judge from the interest of the European parliamentarians, or the lack of interest. We have here in the Chamber this morning perhaps fifty parliamentarians at most out of the 410. That I think indicates to some degree the failure to understand or appreciate the importance of regional policy. We need to remind ourselves that unless we are prepared to take the central issues more seriously we cannot expect to have the right kind of policies.

I should like to compliment the Commission at least. They appear to be taking the problem more seriously than the parliamentarians, not that I agree completely with everything they have put forward. But at least they have been endeavouring over a number of years now to advance policies that will get a better balance. The same cannot be said of Member Governments that have been quite lethargic about this particular policy.

Looking at the way in which the very sparse regional funds are being used in the various countries, one must first of all be very critical of the lack of transparency. It is very difficult to see, in fact, where or how these funds are being applied, even in my own country, Ireland. Certainly it could be argued very strongly that the criterion of greatest need is not being applied. We have regions in our country, and I would say that it is the same in many other countries, that have suffered from serious depopulation down through the decades. We have other areas where the population has become quite dense and yet we find, in fact, that the very sparse regional funds are being applied in these areas. Even around Dublin, where one-third of the population of Ireland is now living, we find regional funds being utilized, when other areas in the West of Ireland are crying out for development. This is hardly applying the criterion of greatest need. Indeed I would like to remind the Irish Government that it has a responsibility to show the way here. It must show that it realizes that the areas of its own country that must get these resources are the areas from which people have been running away and flocking towards the more populous regions.

There is also a need, to emphasize the importance of the relationship between agriculture and agricultural policy and regional policy. I think there is a lot of misunderstanding here. We have had in this Parliament not long ago a very strong move to transfer resources out of agriculture and into the Regional Fund without being able to see very clearly what the impact of this on the regions would be.

Mr President, I have had occasion to draw attention before to the experience of our country in the last decade. When the railways were being established it was argued very strongly that if you ran rail links into the more remote regions, people living in these regions would have contact with the outside world and as a consequence would be more satisfied to go on living there. But because there was failure to recognize the economic needs of the people living in these regions, because agriculture was not developed nor industries based on it, the railway lines proved to be a one-way ticket. People got out and did not come back. Ultimately, of course, the rail lines themselves had to be taken up and abandoned because the population was not large enough to support the transportation system.

So we have to be much more clear about the relationship between regional policy and other policies that are designed to help people, and I do not think we are. I think we make ad hoc proposals from time to time without understanding the relationship between them or the interdependence of these policies. In all the documentation from the Commission and even in Mr Cronin's report, although he has made a very valiant attempt, I must confess, I have not seen any indication that there is a recognition of this problem. There is no focus of attention on it.

I regret too that Mr Cronin did not draw attention to one further development — neither did the Commission as far as I can understand, though perhaps I have not read its documentation as minutely as I ought — in relation to the possibilities for rural regions. I emphasize the rural regions here as areas of greatest need. The development I refer to is that of afforestation in some of these areas. Now I accept that in the Mediterranean package there was recognition that this was a means by which there could be the beginnings of more economic activities in these areas. But there is no emphasis on this particular proposal, or the particular direction that could be taken, in the documentation relating to the non-quota section of the European Regional Development Policy. I think this is a great pity, because in many of these regions the land is not very fertile. The elevation is difficult, and the terrain is difficult from the point of view of carrying on normal agriculture, but it could be extremely useful for the development of afforestation.

Timber is a product that we are going to need very badly. Only yesterday I quoted the fact that world consumption of timber is rising at double the rate of production, that it is the second highest import into the Community after oil in terms of cost and that there are going to be considerable possibilities in future for utilizing wood. Yet we have taken very few steps to ensure that in future we are going to have adequate supplies of timber, and indeed this is further underlined by the problems we have in the energy field today. Why was there no recognition of the possibility of afforestation in some of these regions.

Maher

It could be very useful for the border areas between the North of Ireland and the Irish Republic and could lead to a great deal of cooperation between the two sides of what is, no matter what Mr Taylor says, an artificial boundary. So, Mr President, I want to emphasize that while I am not putting in an amendment, I am drawing attention to these particular problems, of which perhaps greater account may be taken in future.

My final point is that again there seems to be no recognition of the importance of indigenous activity by the people, by people themselves coming together to create economic activity, to participate even in ensuring that Community and national schemes are successful. We have a lot of experience in our various Member countries of the failure of governmental agencies to improve policies on local people if there is not a local structure to carry them out and local involvement and local appreciation of the importance of these policies for the people's own development.

In this context I am surprised that there is no mention even of cooperatives and cooperative development. We have shown in our own country how important and how successful cooperatives can be. We have a very successful cooperative organization in the north-western part of our country, a rather poor area that is carrying out in its own way a peaceful revolution and getting the people more and more involved in agriculture and other activities. I think it is a great pity that more attention is not focussed on the need for local people, through their own organizations, to become involved in greater activity in order to bring about development in the regions.

IN THE CHAIR: MR DANKERT

Vice-President

President. — I call Mrs Desmond.

Mrs Desmond. — Mr President, in the very few moments allotted to speakers, only a few brief comments are possible for each of us in this debate. However, I would like to begin by saying that, as socialists whose basic stance is that the battle against regional inequalities should be the priority for the Community, we support this report. We support it as we do any proposal that comes before us to expand, improve or help in any way to evolve a meaningful regional policy for the Community.

The fact is, as we see it, that the disparities continue to worsen, and that fact, illustrates for us as socialists a basic weakness in the market economy under which this Community functions. Solutions, however, cannot be found within the ambit of this debate and must be pursued on a wider front.

The establishment of the revised Regional Fund Regulation providing for the non-quota section is welcomed by us so far as it goes. That welcome has been extended to it by the two previous speakers, our main spokesman, Mr Griffiths, and Mr Josselin, and I reiterate it now. It does not go far enough, however. The very inadequate financial allocation to regional development renders the entire fund ineffective, or insufficiently effective, in the task it is set to do. The limitation of the non-quota section to 5 % of the already inadequate Fund incapacitates what could be a very effective instrument for eliminating disparities in the Community in that it is based on Community criteria. The pace of progress cannot be equal to the task set, the task being to eliminate the enormous disparities which we find in this Community.

I personally can see no major objection to the priorities selected in the first five-year programme. The greater portion of the money is to be spent on eliminating the effects of enlargement on parts of France and Italy, while the effects of restructuring the steel and shipbuilding industries, the question of energy supply in Italy and the improvement of the economic and social situations in the frontier regions between north and south Ireland are also projects which surely must have our support.

At this juncture, perhaps I should say that it appears to me that Mr Taylor's remarks when he spoke a few moments ago about what happened within the Committee on Regional Policy and Planning with regard to his amendments are not quite accurate and a wrong impression may have been given. I am one of those who through illness were not able to be present at the meeting which adopted the report, but it is my understanding that Mr Taylor himself was among those who finally voted for the report and that while, as he quite rightly mentioned, he put amendments before the committee concerning the quality of monies to be provided as between north and south Ireland, he in fact subsequently withdrew those amendments on the understanding . . .

(Interruption from Mr J. D. Taylor)

Is that not right?

(Mr Taylor asked for the floor on a point of information)

President. — If you can do it extremely briefly.

Mr J. D. Taylor. — Very briefly, Mr President, I did, firstly, propose amendments at the committee meeting which Mrs Desmond was absent from. Those amendments were voted upon, and all the Southern Irish Members, with the exception of Mr Blaney, voted against them. Secondly, when the overall motion came up, I was the one who abstained.

Mrs Desmond. — ... Was a letter not sent to the Commissioner asking him to reconsider the amendments or proposals which you put forward and did you not agree to wait for the Commissioner's reconsideration of this? This is my information.

However, I hope that Mr Taylor succeeds in what he sets out to do. I hope that the funds will be made available to enable Mr Taylor to have equality of treatment under this proposal, because I believe that if there were sufficient funds available many other equally worthy and justifiable projects could be included under this non-quota section. During the course of this debate, many people have instanced projects which they, from their own experience, consider to be deserving projects. From my own personal point of view, from my experience of my own country, I can instance other cases which I feel could, with justification, have been included under this scheme. Without going into details of the individual projects, I am speaking of a country where it will require 250 million to implement the priority local-authority water and sewage scheme required to render our country competitive. One-third of our national primary roads and one-fifth of our national secondary roads are defective and, as a country, we are very dependent on our road structure. We have an exceptionally weak urban base and we have a growing young population, and a great deal more finance could be spent on our country under this non-quota section, as indeed I know it could be in very many areas.

I want to say in the few moments at my disposal that, so far as the north of Ireland is concerned, I am hopeful that this Parliament will provide further opportunity for debate when the report arising from the motion for a resolution tabled by Mr Hume, Mr Balfe and myself comes before this Parliament in the not-too-distant future. I want to support the rapporteur's suggestions with regard to direct payment to the beneficiaries and also with regard to information, indeed, a great lack of information concerning the expenditure of Community funds in very many of our countries. For our own part, Mr Kavanagh and I had occasion only last week to listen to a reply given by our own minister to a parliamentary question in which he stated that there is a balance of 150 million Irish pounds outstanding between commitments and the actual payments made to Ireland between the years 1973 and 1977. We have now tabled a question to the Commission in this Parliament to ask the Commissioner if he will indicate in detail the amounts involved for each of the Community funds and state what projects and regions in Ireland are affected. We need that information in order to dispel a great deal of woolly thinking and achieve clarity on that issue so far as our own people are concerned.

Secondly, I support the rapporteur's pressure for more information, and I also support his amendments to the effect that the potential beneficiaries should be informed. I think that is very important. Obviously those

who are actual beneficiaries will know, but it is important that potential beneficiaries for any form of Community aid should know what is available to them. All these proposals of his, as indeed his suggestion regarding the proposal that the Council retain a veto and his adverse comments on this, have our support.

I would say briefly in conclusion, Mr President, because of the time at my disposal, that we regard the setting up of a non-quota section as a step in the right direction, but further giant steps are needed before we have an effective regional policy in this Community.

(Applause)

President. — I call Mr Hutton.

Mr Hutton. — Mr President, supporters, I want generally to welcome these proposals upon which Mr Cronin has worked so hard. Up until now the Community has just simply left it up to the Member States to decide what each one is to do within its quota and within the fund regulations. Now at last we are seeing a start being made to form a truly European Regional Policy. Now this can only be a very good thing for this Community, for there is no doubt that the people do not understand the sophisticated nuances of how regional funds are being spent. It is a shame that we are only able to welcome the thin end of the wedge with this tiny 5% of the Fund, and it must be a high priority of this House to drive the wedge home and obtain a larger and larger proportion of the overall amount, to be spent in line with the Community view of how best to overcome the serious imbalances which exist between areas like mine in the south of Scotland and the rich and prosperous parts of the Community.

Having said that, I fully appreciate the difficulty of spreading the net widely, and I am sorry that the proposals for rural tourism for example have to be so restricted. I represent the most beautiful part of this European Community, and I would welcome the extension of the measure on rural tourism to help people share that incomparable beauty. So I hope that when the Commission is looking ahead to other subjects of concern they will not forget that, within the existing criteria, there are some measures which could be usefully extended into other areas of the Community in the future. Here I emphasize that I am speaking specifically of rural tourism which may soon be the only way to keep some rural communities alive with the essential services which they need if we are to avoid dishevelled rural deserts growing over the face of our peripheral regions.

At the other end of the scale I also represent an area badly scarred by the decline of a steel mill. I am exceedingly disappointed that we do not yet have these proposals available to help in encouraging new businesses not only in the Garnoch Valley but into other

Hutton

areas similarly affected and I hope that this House will make it quite clear to the Council that we must get on and give new work and new hope to these people and these areas where the old-fashioned and out-dated industries are dying. I am concerned for the future of our peripheral regions and I am glad to see this small start on an overall view of how to redress the imbalance in the Community. I would ask the Commission to add its weight to that of the Members of this House who are trying to persuade our governments to apply these non-quota funds effectively in the sort of black spots mentioned by Mr Harris. If we cannot do this the reputation of this Community will sink low in the estimation of the very people we need to support the existence of this Community in the future.

President. -- I call Mr Cecovini.

Mr Cecovini. — (I) Mr President, at the next part-session I shall be making a comprehensive statement on the projet for inclusion of the North Adriatic in the process of European integration through use of the ports of Trieste and Monfalcone. The projet will, in effect, provide Community Europe with its own *via del Sud*, which will represent an appreciable saving of energy and, as far as the short distance overland is concerned, will lie wholly within the Community since it runs from Munich to Trieste and keeps inside the Italian and Community frontier region of Friuli-Venezia Giulia.

Today, I want to speak about the threat hanging over Friuli-Venezia-Giulia in the form of the road provided for under the EEC-Yugoslav Treaty, which has already been initialled and is now about to be signed, and the purpose of which is to link the territory of the Community with Greece. It will cross Yugoslavia and thereby cut off the Friuli-Venezia Giulia Region and the city and port of Trieste from the mainstream of Community traffic despite their recent impoverishment through the closing down of the mainstays of their economy represented by the San Marco shipyard, the *Fabbrica Macchine*, the SIRT, the Dreher and a wide range of small-scale industrial — including craft — activities which were a flourishing adjunct to the main industrial structure of Trieste and of the Region.

This debate gives the Community a unique opportunity to ward off this threat. This applies particularly to Amendment No. 1 to the proposed regulation instituting a specific Community measure contributing to the development of certain French and Italian regions in the context of Community enlargement.

The regulation is expressly designed to offset the effects which enlargement may have on the frontier regions and deserves approval and support. Obviously, however, there has been an error of omission in the text of the regulation and the amendment tries to cor-

rect it by adding the Friuli-Venezia Giulia Region to the *Mezzogiorno* as one of the regions whose development the Community intends to promote in connection with the accession of Greece.

The need to make this addition is emphasized by the imminent entry into force of the Treaty in question, under which Community funds are made available for the benefit of a country which, while deserving of every assistance, is certainly not part of the Community; the object is to establish a line of communication with Greece but, if this is brought into being without countervailing measures for the benefit of Friuli-Venezia Giulia and the port of Trieste, it will be the last straw for both.

In recognizing the desirability of developing this particular region and port, the Community will be laying the foundations of a regional policy for the Community which is something more than the sum of the national regional policies which, commendable as they are, do not always reflect the Community's immediate needs.

While it is true that, as Mr Gendebien said, 5 % for the non-quota section is derisory, it is equally true that even a token amount of aid is psychologically valuable in acknowledging that the enlargement of the Community and the EEC-Yugoslav Treaty will inflict just as much loss on Friuli-Venezia Giulia as on the other regions covered by Article 2.

The reasons for the amendment are just the same as those advanced for choosing the regions listed in that article.

Finally, I support the plea made by our colleagues Mr Josselin and Mr Maher for consultation with the regional governments and authorities and would like to remind you that, in the last few days, the President of this Parliament has received a large number of messages from the highest authorities in the Friuli-Venezia Giulia Region supporting the amendment and pressing for its adoption. Among those who sent telegrams or messages are the President of the Region, the President of the Province and the Chamber of Commerce. The City Council of Trieste unanimously approved a motion welcoming the amendment on behalf of all political parties.

I trust that the House will vote in favour of Amendment No. 1 and show its independence of judgement on the subject of a regional policy specifically geared to the needs of the Community.

(Applause)

President. — I call Mr Blaney.

Mr Blaney. — Mr President, may I at the outset say that in regard to our regional policy we do not seem to have been making very great headway, despite the fact that many efforts have been made over the years. This is evident from the fact that five or six years ago a comparison between the least well-off and the best off in our Community could be expressed in the equation of 1 to 4. Now it reads 1 to 6, and by the time we come to the enlargement of the Community we are given to understand that that gap will be 1 to 12. This is not a very satisfying situation and I am quite sure that neither the Commission, the Council nor Parliament are prepared to leave it as it is.

But we might well ask why this is so, and I would be presumptuous enough to say that I see two causes. One is that the Regional Fund as a whole is and has been much too small, and judging by the relative lack of interest that one is aware of in this Parliament, it is likely to continue to be too small. The second thing that I think is evident, and many of my colleagues here agree with this, is that we may not be making the best use even of the limited funds that we have. I say this because, for the most deprived and disadvantaged areas in my country, and I am sure in each of your countries, there is a lack of coordination between the various policies which could, if fused together do much more than they are now doing separately. I refer particularly to the Regional Fund, the Social Fund and the common agricultural policy funds. If we are to get the best from our expenditure on aid, assistance and development in the future, these must be combined in a coordinated approach.

I come from a Connaught-Ulster constituency which is really the west and the north-west of Ireland. It is regarded as the poorest region in the present Community. We have, naturally, all of the problems that may have been experienced in all the other disadvantaged areas of the Community, and despite the efforts that may have been made, these disadvantages seem to increase, relatively speaking, over the years. The cross-border fund has been referred to here by other speakers, and I would just like to say that I do not really see it as a cross-border fund at all. The very fact that it has been designated in part to the south of Ireland and in part to the north of Ireland would seem to indicate a separate approach rather than what the term 'cross-border' implies. I should like to see, as Mr Taylor has already mentioned, some truly cross-border operations being instituted under this particular programme that would attend to the needs of those on both sides of this unnatural divide, which incidentally has been described as an international boundary. You should come and see it some time! It is invisible. It never was intended to be there, and I hope will not long remain there; but while it is, we should be trying to alleviate the difficulties that that unnatural division has created, rather than assigning so many millions to one side and so many to the other, and working independently. We should be integrating whatever aid is provided under this cross-border proposal, rather than applying it un-

der two separate programmes administered separately without any great hope of coordination. Again I underline the lack of proposed coordination in this, as is evident in every other aspect of our Regional Fund spending or policy.

I would suggest that, as regards my own constituency and across Lough Foyle, the monies under this fund that have been assigned to Northern Ireland and to southern Ireland, could very well be used to institute something of great advantage to both Northern Ireland and southern Ireland by helping to provide a car ferry to link North Derry and North Donegal. That idea would be preferable to the picnic sites that Mr Taylor has already criticized. I fully agree with him that they are no answer; nor are they a good way of spending the very scarce resources available; we appreciate them very much, but do please try and find some useful and long-term benefit rather than just a day-to-day, hand-to-mouth effort that causes a little stir while it is being done, but leaves no lasting benefit whatsoever to the Community.

There has been mention here that we could utilize some of our funds, scarce though they may be, to do a very useful job in providing assistance towards greater and faster re-forestation. With that I totally agree, and my colleague Mr Maher has been speaking on this. I too support this approach, because it has many benefits, not least on employment in the areas in question. In many cases the land is not suitable for other purposes and could be very useful for the production of timber of which we have never had enough, and will not have enough for a very considerable time in the future.

I am sure it may come quite a shock to many of you people here to learn that in a great part of the constituency that I represent we do not have any rail transport whatsoever. We do not have any sea passenger transport; we do not have any air transport. Now, again I would suggest that some part of the monies, quota or non-quota, should be directed towards providing that. I think it would be most beneficial from every point of view, commercial, tourist, social and otherwise, to aid provision of a proper small airport in Donegal, in my constituency, to give us access, not alone to other parts of my country, but to enable the tourists on whom we depend very much to come more readily and enjoy the amenities that we naturally have in this part of my country.

There is also the situation of housing in these parts of the country, housing which people seem not to place in any of the categories of need under the funds or policies that are operated through this Parliament and the Commission.

If you stop to think about it, for people in the urban or rural disadvantaged areas housing is the most basic requirement. Without it you cannot even have a stable population; you cannot ensure, even where industry is

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provided, that you will have the workers. If their housing conditions are bad they are going to move on, to find somewhere where they will be housed properly. I think that we should be thinking in terms of assisting housing together with the national governments, and pushing the national governments by offering them assistance from here which they would match, either by subsidizing the loans required for today's very high building costs or by making non-repayable grants, or a combination of both.

These are things which should be looked at. They are basic to the very existence, never mind the expansion or improvement, of the disadvantaged regions not only in Ireland but in all the other Member States of the Community. The fund we are talking about, whether quota or non-quota, is too little. The non-quota part of it being only five percent is so little that I have great sympathy with those, who administer the Regional Fund and are trying to do anything of any worth with that very small amount. I think it is almost essential for them to reduce the number of input points — and this of course makes those who are not included protest, and rightly so, that they are being neglected, and that others are being given preferential treatment. The reason, of course, is basically that the non-quota monies, as part of an inadequate overall Regional Fund, are really not sufficient to make for a working policy with direct intervention and planning by the agencies of this European Community.

We do need to increase the non-quota percentage of the Fund if it is to have any real meaning in the future. We do need to increase the overall Fund if we are to make any impact, if we are not to continue to lose the battle as we have been doing over the years since this Community first came into being. The gap is widening between the less well off and the best off in the Community, and while it is true that we are all relatively better off, the gap continues to widen. This is a total negation of the whole ideal behind the Community, of the concept of a levelling-up of the poorer regions to bring them into line with the better off. We are not doing that, though we are trying. We do not have adequate means to do it. As we are not coordinating the various other schemes and programmes that we have, we are not getting the best from our spending.

I would finish by advocating as strongly as I can that we must have greater regional funds, and in order that they are spent to the greatest advantage, we must coordinate the common agricultural policy, where it affects the disadvantaged areas, with the Regional Fund itself, with the Social Fund and with our industrial development funds. All of them must be seen as a whole and applied in a planned programme to our various disadvantaged areas if we are to succeed in helping to close the gap and prevent it from widening as it is now doing.

President. — I call Mr Welsh.

Mr Welsh — Mr President, I think we would all agree that the Regional Fund has unfortunately not lived up to the expectations of those of us who welcomed it as a major Community initiative to achieve economic convergence. It has failed to achieve its aims because the Member States' governments, very frankly, acting through the Council, have been determined to use regional policy for their own short-term political advantage, and the Commission has lacked the political will to challenge them. The non-quota section of the Fund, which is only five percent of the total appropriation, is a very poor response indeed to the challenge of a truly Community policy as opposed to a series of national schemes.

While welcoming the Cronin report we should not let it divert us from the need to tackle the quota section itself. This is especially important in this year of 1980 when the Fund Regulation itself is up for review. I have already suggested in private to Commissioner Giolitti, whom I am glad to see here today, and I would repeat the suggestion now, that if there is to be a truly Community policy, the Commission must be able to select the schemes which it will assist within the parameters of the quota. Too often Regional Fund grants have been used to alleviate the problems of those very deprived areas which do not present any real prospect for economic recovery. Nobody would wish to deny, Mr President, the importance of helping the most disadvantaged, but the real solution is not to give them mere grants but to build up industries that will create growth and enable us to afford to provide the social benefits which are so necessary. When resources are scarce, Mr President, we must back the winners.

The part of Lancashire which I have the honour to represent is a region in transition. The country and district authorities have established excellent relations with the Commission, and regional grants have made an important contribution to structural development. We are very grateful for that indeed.

Unfortunately, we will lose our assisted area status in 1982 and consequently be excluded from any assistance from the ERDF. While we accept the national government's reasons for taking this step, I cannot believe that they hold good for the Community. If Britain is to catch up with other Member States, it will be through the efforts of areas such as Lancashire which have demonstrated their ability to cope with the problems of industrial transition but desperately need the structural investment assistance if they are to achieve their potential. The Community must be able to support the efforts of areas such as Lancashire. We are currently working on a five-year structural plan which will make Lancashire the boom area of the 1990s, able to contribute through its prosperity to the well-being of those who are less fortunate. We hope to have an opportunity to present this plan to Commissioner Giolitti and his officials, and I would extend a similar invitation to any Members of this honourable House

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who may be interested in seeing how an integrated plan for a region in transition can be made to work. I am sure that when Commissioner Giolitti sees this it will be a powerful incentive for him to reform the Regulation in the way that we suggest so that the Commission can mount a genuine Community regional policy which will make a real contribution to the development of the less-prosperous areas of our Community.

(Applause)

President — I call Mr Cronin.

Mr Cronin, rapporteur. — I regret that I was unable to be present at the opening of my report taken at the last part-session. The uncertainty of taking this report at the session did not help. I would like to thank Mr van der Vring for presenting my report to the House.

This is the first time that this directly elected Assembly has had an opportunity of holding a debate on the all-important subject of Community regional policy. The views expressed here today are in the main in line with the attitude that Parliament has taken on regional policy on previous occasions. Parliament has been in favour of a non-quota section. It has endeavoured to promote the introduction of a genuine Community regional policy in the past also, by calling for an overall framework, an assessment of the regional impact of the other Community policies and for the coordination of national regional policies.

I think that while all these aims have not been achieved by the proposals now under discussion, they are a step in the right direction. An important aspect of these proposals is the recognition of a link between certain Community policies and their effect on certain regions of the Community. Quite often the pursuit of one Community policy has detrimental effects on certain regions of the Community. We have, for example, the effects of enlargement on the Mediterranean regions. Also we can cite the effect of free trade on the competitive capacity of the steel and shipbuilding sectors. However, we should not lose sight of the distinction between the under-developed regions which never had any industrial base, and those depressed regions which are suffering from industrial decline. I think it is important that the regions that have been chosen in this first batch of projects stand out as regions in need of urgent assistance from the European Community. This is not to say that other regions need not be considered for aid from the non-quota section of the Regional Fund. I would point out that this set of proposals is not exhaustive and that the Commission will be presenting additional projects in the near future. On the other hand we should not lose sight of the fact that the Community funds are limited. The size of the Regional Fund itself is far short of what we would like to see, but furthermore the non-quota section is confined

to a mere 5% of the global amount of the Regional Fund. Under such conditions we must make best possible use of the limited funds available to us. A necessary consequence of the limited amount of funds available is that these funds must be concentrated in the most seriously affected areas of the regions, which are covered by the current set of proposals. A watering-can spread of the funds would not prove successful as the impact would be severely limited.

While we all feel that certain regions should get priority, the committee very wisely rejected the temptation to add extra areas to those which had been proposed for aid by the Commission. We must not minimize the impact that these proposals will have on the Irish border regions which are particularly depressed. Practical cooperation for tourism development, communications, transport and the promotion of craft enterprises will ensure that communities in these areas will, in the spirit of industrious cooperation, gain a greater understanding of each other in a positive and friendly manner. I hope it will.

An important aspect of this proposal is its originality. The Commission is proposing aids for initiative to allow communities to help themselves. Aids are provided for tourism, small- and medium-sized enterprises, improvements of the environment and the promotion of industrial innovation.

However, I feel that more could have been done to assist the craft trades and that aid should be concentrated in the tourist sector to improve the capacity of farmhouse accommodation. I would like to suggest to the Commission that, when they put forward more proposals, they take into consideration the devastating effects of coastal erosion, which causes heavy financial losses. For example, around the Irish coast line the sea has eaten into towns, villages, beaches and farmland. This is a common problem throughout the EEC and deserves Community solutions. The question of publicity of the Community aid pursuant to these proposals is welcome. After all, if beneficiaries and potential beneficiaries are not aware of the assistance being offered, they will hardly be inclined to apply for aid. The more publicity that is given to these proposals the better it is for the Community and the regions concerned.

A very important aspect of increasing Community awareness is that Community funds should be paid directly to the beneficiaries and not to intermediate bodies. In this way, the role of the Community will be fully appreciated. Such direct payment is more logical when one considers that aid from the non-quota section can be granted without any need for national aid for the project in question.

As regards the thirty amendments which have been put down, I would like to make some brief remarks. The amendments by Mr Orlandi, on behalf of the Committee on Budgets are acceptable to me. Other amendments seek to extend the regions which are to benefit

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from these proposals. The committee was firmly against this because of the limited funds available, so I cannot therefore recommend such amendments for acceptance. Finally, some amendments seek to give local authorities an extensive role in relation to these measures. While I am very much in favour of involving local communities we must maintain a reasonable degree of flexibility and not tie down the Commission and our national authorities too much. I feel that paragraph 9 of the resolution sets the right tone and consequently I cannot accept all of the amendments.

In conclusion, Mr President, I think Parliament will agree that these proposals are very important, particularly to the regions concerned. To wind up the resolution, we are calling on the Council to formally adopt the proposals with the minimum of delay. For that I think the people in the most deprived areas will thank us.

President — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, some speakers have complained about the absentees from this debate, which they regard as evidence of Parliament's lack of interest in a subject which is of paramount importance for the unity and strength of the Community. As far as I am concerned, I greatly appreciate the interest shown during the various stages of the discussion in the Committee on Regional Policy, and in the Committee on Budgets, as well as in the groups, and I am specially grateful for the ideas, comments and suggestions made during the present debate in the Chamber. This applies particularly to the report by Mr Cronin, to whom I extend my warmest thanks.

Lack of time prevents me from dealing with all the points which my colleagues on the Commission and I and our staff have been asked to consider as we work our way towards our ultimate objective, but I assure you that we shall pay the closest attention to the comments, advice and criticisms we have heard here today and to all that was said earlier in the Committee on Regional Policy.

I fully accept the immediate need for us in the Commission, with the help of our staff and other resources, to embark on an inquiry — in greater depth and perhaps with a greater degree of sophistication — into the regional situations with which our all too limited resources are expected to cope in order, as someone suggested, to assess the disparities in terms, not only of gross national or per capita product, but also of the level of facilities and the availability of education and health services. On this I should like to say that we are on the point of making an investigation with the desired degree of depth and detail as part of the Commission's preparation of the first periodic report on social and economic conditions in the various regions

of the Community and that this will be placed before the House in due course. However, recognition of the need for more thorough examination and appraisal does not constitute an admission that we have based our proposals on guesswork or, worse still, a less than objective approach, as we have been accused of doing in the course of this debate. While we accept that the criteria of appraisal must be defined in greater depth and detail, I must emphasize that we have set about our task with completely open minds and, contrary to what has been suggested, we have at no time been influenced by undeclared, still less by undeclarable, political considerations. I was able on several occasions to give the Committee on Regional Policy a very clear and accurate account of the criteria we applied, but shortage of time prevents me from repeating the information I gave the House *via* the Committee.

It is true that we have favoured projects likely to involve small or medium-size enterprises, crafts and rural tourism. This has been criticized as liable to spread Community action too thinly on the ground. Reference has been made in the House to the importance which, on the other hand, should be attached to big projects capable of making an impression on the communities concerned. Big projects, especially those affecting infrastructures, are of undoubted importance but in that area we can operate with the section divided into quotas. We chose between methods and came to the conclusion that the non-quota section should be used for intervention affecting small and medium-size enterprises, crafts and local tourist organizations, an area rich in promise and ripe for development. We did this because we did not merely want to give a helping hand but to create the conditions for development, in particular by shifting the emphasis from contribution to capital to contribution to aid, encouragement, initiative and capability, especially in the case of small firms.

Similar comments about the risk of a watering-can spread were made in reference to our proposal for a measure affecting the border areas between Ireland and Northern Ireland. On this, I must make it abundantly clear that the overall effect of the five measures we propose cannot possibly cause any harm to Northern Ireland because (as I must remind you in view of what has been said) Northern Ireland will also benefit from the specific measure relating to the problems of the shipbuilding industry. Taking the position as a whole, therefore, it is clear that the proposals represent a reasonable balance.

I have two further comments. I think we must step up and improve the flow of information in every direction, especially from the Commission. I agree that the best way of ensuring a continuous flow of information is through the Parliamentary Committee on Regional Policy, and I shall act accordingly. Naturally, advantage will be taken of any opportunities which may arise to impart information during sittings of the House itself and, by keeping it up to date with precise and ac-

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curate details, enable it to exercise its role as monitor and to make its comments, which are always valuable, on the way the proposals are being carried out. Following what I can reasonably expect to be a favourable vote from Parliament today, we hope the proposals will receive early approval from the Council. The House can also rest assured that it is the Commission's firm intention (and my own) to establish closer links with the regional and local authorities, despite the practical difficulties which arise, because there are so many of them. We must try, as I am doing, to put these links on a sound footing; I shall, indeed, shortly be attending an official meeting arranged for the purpose with the five organizations in which, in their various forms, the regional and local authorities are grouped at Community level. We have, on our side, always encouraged informal contacts and welcomed those offered to us by those authorities. It is, of course, impossible for us to give these relationships any institutional form because the Treaties make no provision for it and because of the provision they do make for the regulation of the relationship between Community institutions and Member States. It is fair to say, however, that the kind of action we are encouraging on the basis of the non-quota section of the Fund provides a chance to strengthen, encourage and develop the relationships to which I have referred. It is part and parcel of the purpose and planning of the non-quota section to promote active participation, not merely to supply information, since, given the type of action contemplated, it is absolutely essential to have the requisite amount of understanding and cooperation at regional and local level.

In view of the limited financial resources at our disposal, Mr President, all we can hope to do is to blaze a trail on which we can begin our journey. Everyone here, and certainly the Commission and myself, would like to see it develop into something bigger, a trunk road perhaps, but that depends on the intentions of the Community institutions. I think these have been clearly expressed in this House, at least as far as the Commission is concerned; let us hope that the Council will follow suit without delay and loosen up a situation which has been stagnant for some time. Let us hope that, as the result of the opinion which Parliament expresses today, the Council will be prepared to take an early decision. If the measures are adopted by the Council, it will enable us to prepare and submit fresh proposals to meet the requirements canvassed during the debate and which we feel unable to provide for as part of the measures under consideration, which represent the first batch of five and will be followed by others as soon as we get the green light from the Council.

As regards the amendments on the order paper, I need only refer to the views expressed by the rapporteur, with which I fully concur.

(Applause)

President. — The debate is closed.

The motion for a resolution, together with the amendments which have been tabled, will be put to the vote at 3 p.m.

9. Competition policy

President. — The next item is the joint debate on:

- the report by Mr Samseaux (Doc. 1-652/79), on behalf of the Committee on Economic and Monetary Affairs, on the Eighth Report of the European Communities on Competition Policy
- the report by Mr Spinelli (Doc. 1-840/79), on behalf of the Committee on Budgets, on the proposal from the Commission to the Council (Doc. 1-758/79), for a decision applying for the second time Decision 78/870/EEC empowering the Commission to contract loans for the purpose of promoting investment within the Community
- the oral question with debate by Mr Lange, Mr Dolors and Mr Glinne, on behalf of the Socialist Group, to the Commission:
Subject: Enterprises and governments in international economic activity

To what extent has the Commission taken action on the decisions of the European Parliament contained in the resolution of 19 April 1977 on the principles to be observed by enterprises in international economic activity?

I call Mr Damseaux.

Mr Damseaux, rapporteur. — (F) Mr President, Mr Commissioner, ladies and gentlemen, as soon as it was able, the Committee on Economic and Monetary Affairs discussed the Eighth Report on Competition Policy, to which it devoted four meetings. It began its discussions on 4 October 1979 and adopted the report on 18 December 1979. The exceptional and regrettable delay with which we are discussing this report in plenary is not therefore due to the Committee on Economic and Monetary Affairs, but to the overloading of our agenda, particularly with subjects which do not always fall within the terms of reference of our Parliament. I should like to emphasize that we cannot tolerate such a delay in the future, because it is obvious that if we discuss a report of this kind in March, the Commission cannot take account of our opinion when preparing the next report, since it is almost ready to submit to the Bureau of our Parliament the ninth report on competition policy.

I am happy to say that, whatever our political commitments might have been, we have had various exchanges of views devoid of pointless ideological controversy. The competition policy is one of the cornerstones of the Treaty. The members of the committee

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have looked at competition from the economic rather than the strictly legal angle. Above all they have endeavoured to help the Commission, with their criticisms and suggestions, to make the competition policy more effective and also suited to whatever economic and social situation may arise in the Community. Following the custom of their predecessors, they have therefore discussed the problem in practical rather than doctrinal terms.

I should like to thank the chairman, Mr Delors, for the competent, authoritative and objective way in which he chaired our discussions, and my colleagues for the active part they have played in this work. I should also like to stress that, as in the past, we received from the Commission all the information and explanations we wanted, and I should particularly like to thank Commissioner Vouel and his staff.

The general spirit in which we discussed the Eighth Report on Competition Policy and the manner in which we feel it should be used are apparent from the general considerations set forth in paragraph 1 to 5 of the motion for a resolution. Of course, we cannot expect the competition policy to achieve everything. However, effective competition is fundamental to the smooth operation of the market and constitutes an essential component of our economic and social policy. The slow rate of growth, the need for structural change, inflation and the temptation to resort to protectionism are unfortunately still present. They make it difficult but essential to apply the rules on competition. The European Parliament can and must therefore play a decisive role in this field alongside the Commission. We see this role as being one of controlling, recommending and proposing.

Our analysis extends to three basic aspects of the competition policy: firstly, competition policy as a factor for market unity; secondly, competition policy as a factor for economic efficiency; thirdly, the general conduct of the competition policy.

I shall now discuss the report in terms of these three basic aspects.

Firstly, the competition policy as a factor for market unity. As with the Seventh Report, we have stressed that the strengthening of market unity involves greater harmonization of the conditions of competition. This is, in my opinion, an aspect of the utmost importance, and we have devoted seven paragraphs of our resolution to this subject. I shall refer, in this introductory statement, to a number of major aspects.

Firstly, the question of industrial property. In paragraph 7 of the motion for a resolution, which was the subject of the greatest changes during our work, the Committee on Economic and Monetary Affairs shows that it is keeping a particularly close watch on the content of the draft proposal for a regulation exempting categories of patent licensing agreements. Our four-

fold concern is that the Community's commercial and industrial interests should be favoured, that the competitiveness of European industry in the world should be safeguarded, that our industry's innovative abilities should be encouraged and that the small and medium-sized undertakings should be given an equal chance by assuring them of the possibility of gaining access to technology and of adequate protection for their patents. The solution put forward by the Commission has caused considerable concern in industrial circles. We have therefore asked the Commission also to submit to the European Parliament the revised version of the proposed regulation to be forwarded to the Advisory Committee on Restrictive Practices and Dominant Positions.

We have reiterated our request that the Commission speed up the drafting of the regulation creating a Community trade-mark and a European trade-mark office. The Commission informed us that it would be submitting to the Council some time this year a proposal for a regulation based on Article 235 of the EEC Treaty together with a proposal for directives relating to the approximation of national legislation on trade-marks on the basis of Article 100 of the EEC Treaty, so as to reduce as far as possible the obstacles to trade and competition created by the coexistence of national trade-mark laws.

The next aspect is the extension of the competition policy. The harmonization of the conditions of competition involves extending the scope of the competition policy to include areas such as transport, the financial sector and insurance. The Committee on Economic and Monetary Affairs was aware of the progress made by the Commission, particularly with regard to the adjustment of national monopolies of the commercial type, in the elimination of technical and administrative obstacles to trade, where the Commission is aiming at a more efficient procedure based on Article 155 of the EEC Treaty, and above all in the air transport sector, where the memorandum submitted by the Commission answers our call for keener competition in this sector. The committee is also glad to see that the Commission hopes to be able to submit to the Council by the end of June a proposal for a regulation on sea transport, which has been drawn up in cooperation with representatives of the economic sectors concerned, that is the shipowners, the shippers and the transport agents.

I should also like to emphasize that on the subject of insurance, paragraph 8 (c) contains very precisely worded requests to the Commission, which formed the subject of long discussions in committee as regards the progress to be achieved in respect of the freedom to provide services and the strict application of the rules on competition in all areas of insurance.

My final comment on this section concerns the inadequate harmonization of legislation on State procurement. Greater harmonization of the conditions of competition could be achieved through progress in

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harmonizing legislation on State procurement. We all know how essential a role public purchasing plays in the development of industrial activity. That is why we have asked the Commission to make absolutely sure that the two directives hitherto adopted are respected by all the Member States and to continue its work in sectors not yet covered by the directive on public supply contracts. In this regard the Commission has provided us with some extremely informative statistics, which are to be found on pages 18 and 19 of the explanatory statement and which, I am sure, Members will note with the greatest interest.

The second aspect is that of competition policy as a factor for economic efficiency. An active competition policy can, by exercising control over aid schemes, stimulate the economy, prevent protectionism and encourage small and medium-sized undertakings. The report gives a very detailed analysis of the Commission's activities in providing a framework for national regional and sectoral aid policies. The Commission has been very active in this field even though in view of the present economic situation the application of the rules on competition is a very delicate matter.

The Committee on Economic and Monetary Affairs is all the more appreciative of the work undertaken by the Commission in this difficult, but essential, matter since quite obviously it is important for there to be close coordination at Community level of regional, sectoral and general aid policies to ensure that they are compatible and consistent with the social requirements, the object of restructuring and the need for our economy to be competitive. We reiterate our hope that as a general rule the Commission will ensure the effective application of the rules on the control of aids so that they remain degressive and temporary. The Commission has also given us a first indication of the content of the regulation it is preparing with a view to ensuring greater transparency in financial relations between Member States and public undertakings. We shall continue to watch the implementation of this regulation closely.

On the other hand, we once again deplore the fact that the Council has still not adopted the proposed regulation introducing the preventative control of concentrations, which was approved by the European Parliament in 1974. Like its predecessors, the Eighth Report on Competition Policy refers to excessive concentration in certain sectors and to the disadvantages this entails. It is obvious that the vitality of the economy and the interests of consumers cannot be safeguarded unless adequate competition is maintained.

We have also been disappointed at how relatively little the Commission has done about the activities of multinational companies. Paragraph 18 of the motion for a resolution therefore requests the Commission to adopt a more active approach, particularly with regard to combating tax evasion, and to include in its annual report a list of the measures taken in this area.

Finally, all the speakers in committee placed great emphasis on the vital contribution made by small and medium-sized undertakings to the dynamism of the economy and the maintenance of employment and on the fact that a well formulated competition policy can and must encourage their activities. Paragraph 19 of our motion for a resolution, which formed the subject of long discussions, states very clearly and explicitly the areas in which the Commission is called upon to pursue its action: in the fiscal sector, through the harmonization of legislation; in the financial sector, by making it easier for them to obtain Community loans; in the technological sector, through access to new technology; in the administrative sector, through a reduction of formalities whose need has not been clearly established.

The third and last point concerns the general conduct of the competition policy. The last part of the report and the motion for a resolution is devoted to a number of reflections and recommendations addressed to the Commission on the general conduct of the competition policy. Our remarks principally concern three areas.

Firstly, the improvement of the administrative procedure (Articles 85 and 86 of the EEC Treaty). The Committee on Economic and Monetary Affairs is aware both of the complexity of the subjects and of the difficulties the Commission encounters where procedures are overly restrictive. We therefore felt it necessary to call on the Commission to make concrete proposals for a simplified procedure in its next annual report, so that the competition policy may retain its credibility and its effectiveness.

Secondly, the coordination of policies. Once again the Committee on Economic and Monetary Affairs urges the Commission to seek the closest possible coordination between the competition policy and the industrial policy. The committee has always been aware that certain situations in certain sectors might entail the suspension or at least the reduction of competition in certain cases. But the committee considers it essential that in each sector undergoing restructuring the solution chosen should be the least expensive in social and budgetary terms and most suited to re-establishing competitiveness in the sector concerned.

Thirdly, the link between investigations and practical application measures. In paragraph 22 the Committee warns the Commission of the risk inherent in its investigations into the extent of concentration and differences in price levels in the Community, useful though they may be, if the publication of its surveys is not followed up by specific measures.

That, then, is essentially the content of this report on the Commission's Eighth Report on Competition Policy.

Damseaux

In closing, I should like to say that I have two hopes. I hope, firstly, that the Commission, which was closely involved in our work, will have been able 'unofficially' to take account of our desires in its work on the Ninth Report on Competition Policy, since it seems it has almost been completed at a time when we are only discussing the Eighth Report in this House. As regards the report itself, I also hope that our Assembly will give it the same attention and the very wide support which it found in the Committee on Economic and Monetary Affairs, and deservedly so in view of the absolutely fundamental role that competition policy can play in the economic and social future of our Community.

(Applause)

President. — I call Mr Delors to speak on behalf of the Socialist Group.

Mr Delors. — *(F)* Mr President, ladies and gentlemen, it is never too late to do good work. Although the competition policy represents one of the pillars of the Treaty of Rome, although the report of the Committee on Economic and Monetary Affairs has been ready since December, the Assembly has had to wait until March to discuss the disadvantages Mr Damseaux has just denounced. And so, for anyone who has any sense of priority, this is a ridiculous situation, even if it can be considered a consolation prize that this report should be entered in the agenda for Tuesday, which is apparently a gala day for Parliament, despite the thin scattering of Members here at the moment. Of course, this is a difficult and complex matter. And I can but congratulate Mr Damseaux on the meticulous and energetic work he has done without ever becoming discouraged. Similarly, in my capacity as chairman of the Committee on Economic and Monetary Affairs I should like to thank Mr Vouel and his services for the close and informative relationship they formed with the committee.

For more than twenty years since the Treaty of Rome entered into force, the competition policy which, as I have said, is considered one of the pillars of the Treaty, has made one think of the parabola of the half-empty and the half-full glass. It will surprise no one to hear that as a parliamentarian I concentrate on the empty part. I should therefore like to begin by referring to a number of principles which make it clear that the competition policy, whatever its value in itself, cannot be isolated from the Community's other economic policies. And that is where, it seems to me, the shoe pinches. I shall then take up a number of strategic issues, endeavouring not to repeat what Mr Damseaux has said. And I shall conclude by advocating that in this enormous field priority be given to various activities.

As regards the principles, not without their point, although the competition policy does not lend itself either to lyrical outbursts or to excessive simplification, I would nevertheless like to say that competition both exists and does not exist, that undertakings always have the choice of two alternatives: either eliminate the others or come to an agreement with them. In these circumstances, the objective of the competition policy, which, moreover, consists in putting the work on the loom 20 times, is to ensure that there is a minimum number of undertakings having equal chances. But if it is to be like this the market must not simply be a hierarchy of powers, it should not be a question of a fight between the earthenware pot and the iron pot, or rather small earthenware pots made by undertakings wanting to compete in a market with iron pots made by those who, wanting to avoid the disadvantages of competition, have resorted to abuses of their dominant positions or even to agreements that go too far. In other words, although it will be agreed that such competition must be regarded as self-supporting and self-destructive at one and the same time, whenever the positive aspects of competition are considered, a 'but' must be added, a reservation expressed. The competition policy is, in our view, simply an instrument for maintaining a minimum level of equal opportunity among the various groups of workers and undertakings which want to make innovations and to produce goods and provide services of a good quality and at ever lower prices to the benefit of the consumers. If this view is accepted, the competition policy is a means of combating rising prices, but — because there is always a 'but' — the practices of certain undertakings, known as mesoeconomic, create, notably through the use of umbrella prices, increased returns and prevent prices from falling. That is why we attach considerable importance — and Mr Lange will approach the subject from a different angle — to the policy of controlling the major multinational companies.

In addition, the competition policy ensures technical innovations and progress. But do we not hear all too frequently of technical innovations and progress being held back, which is an obstacle to the benefits of sound competition? Also, competition policy allows industrial structures to be rationalized, but all too frequently, unfortunately, rationalized into disorder if it is not accompanied by policies aimed at the prevention and redeployment of industrial activity which have been devised and negotiated with all the parties concerned, beginning with the workers' organizations.

And while the competition policy is undoubtedly to the consumer's advantage, what pointless incentives there are to ostentatious consumption or to buy gadgets, how much misleading advertising goes on, how much pseudo-competition there is between twenty brands of soap powder, what abuses there are with the attractive prices offered by the hypermarkets, how much money is wasted, while we are told there is a shortage of money to meet basic health and education needs. That is why the competition policy is not for us

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a dogma. It is one of several instruments in an economy which should normally bring out the beneficial effects of the market, and also lay down a minimum number of rules so that we do not have the law of the jungle.

Having recalled these principles, I should now like to refer to a number of strategic points in this report. I shall begin by talking about the harmonization of national legislation. Let us be reasonable. The most important thing in this field is that each country should equip itself with anti-trust legislation and fair rules on competition which are broadly similar. It is wrong to put, and this is used as an excuse, the harmonization of national legislation, the harmonization of fiscal provisions and the harmonization of cost prices at the same level. We all know that, where fiscal provisions and cost prices are concerned, it will be some time, a long time before tangible results are achieved. On the other hand, if there is one point on which we must insist, in view of the deficiencies and even the absence of certain national laws, it is that there must be more consultation between the Member States with the object of having the same rules with respect to anti-trust legislation and the exposure of abuses of dominant positions. If that had already been done, companies would not be able to play one country's legislation off against another's.

The second strategic point to which Mr Damseaux referred was patent licensing agreements. We are aware of the opposition, particularly in certain European industrial circles. But we consider this regulation to be very important, because it should permit vigorous development among the small and medium-sized undertakings. Examples from the past and what we know of the industrial and technological future show that we can expect small and medium-sized undertakings to contribute a great deal to growth, as a source of innovation and in the creation of jobs. That is why these undertakings must have access to technology and when they are themselves innovative, they must be able to develop their innovations fully.

The third strategic point concerns the control of concentration. The official reports stress that there is a tri-polistic or duopolistic situation in 9 % of cases. It is on record. But I shall not burden you with figures on concentration, although I must say, on behalf of my group, that it is high time the Commission's proposal for a regulation on concentration was adopted by the Council of Ministers. What is at stake, it seems to me, is the credibility of the competition policy. It must not be unbalanced: it cannot be strict in certain fields and lax in others.

The fourth strategic point does not fall within Mr Vouel's terms of reference, but it is very closely connected with the competition policy. This is the problem of technical obstacles. This is an enormous task. These obstacles are a Gordian knot in which national interests conflict. They provide an opportunity for the

re-emergence of protectionism. I shall not labour this point, but I will ask one question: while in the third industrial revolution which is emerging, the United States and Japan are again taking the lead over the European countries, when will the Community equip itself with the means that its autonomy offers? In other words, when is it going to decide to produce its own system of standards to allow it to exist on future world markets? Until we have this autonomous assertion of the Community, which has technological, scientific and financial foundations, the Community will not be able to exist, and the competition policy will not be cohesive and effective.

The last point is more delicate. It concerns the difficult question of the compatibility of competition and the defense of European industries. There have been — I shall not go into this in any detail — difficulties, as we know, with synthetic fibres. I must say that in this case we must avoid a dogmatic approach of any kind. There are times when a harmonious agreement, backed by the Member States, between companies as a means of preventing disorder and cut-throat competition is preferable to true respect for the intransigent dogma of liberalism far removed from the reality of the capability and forces of the market. That is why a satisfactory compromise must always be found and that is what I would like to see coming between the two golden rules of our mixed economies, competition on the one hand and consultation and the rules of the game on the other.

I should now like to mention a number of priorities. Why? Because it is obvious that if every year we are going to discuss a report on the competition policy which sets out a vast array of objectives without setting any priorities for action, we shall not make any progress. This is why the Socialist Group will be tabling an amendment, which Mr Schwartzenberg will explain, setting out these priorities. I will reduce them to four points: firstly, the regulation on concentrations, to which I have already referred. I consider it essential, and Parliament should take action to ensure that the Council — transcending the opposition between countries and silencing those who set themselves up as interpreters of the views of various timorous, but powerful industries — at last adopt this regulation on concentrations. It is better to have an imperfect text than no text at all. Life itself is not without its flaws. Rather a means of taking action than the present *laissez-faire* and disorder.

Secondly, we want an operational approach to the problems raised by large mesoeconomic undertakings. We know the issue well. Let no one tell me that, like Don Quixote, we are fighting multinational windmills. We know what the concentration of large undertakings does for the world economy, but we maintain that they must submit to certain rules of the game. The public interest is represented by the Member States and by the Community and not by companies, whatever their power or whatever the nature of their inten-

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tions. Whether we are talking about the abuse of dominant positions, about the very important matter of exercising control over transfer prices, which is closely related to consumer policy, or about the practice of umbrella prices, it is important for the Community to make progress. We cannot leave it, to ease our consciences, at quoting a decision of the Court of Justice or a decision by the Commission every three or four years. This is a basic issue, which also justifies the oral question which will be tabled by Mr Lange, Mr Glinne and myself on the multinationals.

As the third priority, we call for the active participation of workers and trade union organizations in the application of the competition policy. I shall not go into detail on procedures. The Commission is considering several projects. But during the elections everyone here talked about the Europe of the people or Europe of the workers. If we want this Europe to be more natural, if we want it to be understood what a large common market is, what power relations are, what rights each individual might have, decisive steps must be taken to involve the workers and their trade-union organizations in the procedures for establishing the competition policy.

And my fourth point is that we call for the Commission's means to be strengthened in this area. I could quote you the number of staff working for the monopoly Commissions in Germany and the United States. It is far higher than at the Commission. Even when the 1980 budget was being prepared, I called on behalf of the Committee on Economic and Monetary Affairs for the Commission to be given adequate resources. It is not for us to decide on the consequences of the Spierenburg report and reorganize the Commission in two minutes. But I must say that without sufficient resources with regard both to the competition policy and to technical barriers, no action can be taken on the priorities I have just mentioned. The competition policy will wind up limping along beside those who hold the power. That is why the necessary resources must be allocated. The reason why I have mentioned these priorities is that I do not want the next report on competition to place all the elements at the same level. I want it to be possible, and this is the role parliamentarians and the policy have to play, to simplify matters and to get down to the essence and to set priority objectives. We must get down to what is politically the most important aspect and what at operational level is within our reach. We shall not progress towards European construction by putting forward a list of pious hopes: we must set priorities in this as in any other area.

(Applause)

President. — I call Mr von Bismarck to speak on behalf of the Group of the European People's Party (CD Group).

Mr von Bismarck. — *(D)* Mr President, ladies and gentlemen, I should like to begin by expressing the very sincere thanks of my group to the rapporteur for his report. The chairman of the committee has just said the same. Everyone who was there to see how carefully the work was done will simply want to say: thank you very much.

Secondly, I must endorse the complaints made by the two previous speakers. The fact that this matter is being debated today so long after the report was drawn up points to a false estimation of the fundamental value of competition throughout our European Community. The socially committed market economy envisaged by the Treaties cannot function if there is no competition. And it is very wrong that we should apparently be speaking about technical matters here. We are speaking about the soul of our European undertaking, the European Union we are seeking to achieve. I urge both the Commission and the Council to attach more importance to this matter in future. I shall be making a suggestion at the end of my speech. I believe that both institutions can do even more, for example — and I am now addressing the Commission — to forge a more practical and more effective link between Articles 100 and 155, and I would call on the Council not to ignore the suggestion the Commission has made but to give the matter priority because of its importance. I can only endorse what Mr Delors and Mr Damseaux have said: the Council's lack of activity encourages concentration in a way that we will not be able to change later.

But I should like to make a few basic comments on competition despite the remarks sometimes made about romanticism. It is just like the laws of equilibrium — a great deal can be said about that too, but they nevertheless remain in force. The laws of competition and its effects are similarly incapable of being circumvented. Competition will always re-emerge, but in places where we do not want it, if we do not give it the necessary thought at the right time. And as Mr Delors has already said — I would put it somewhat differently — it needs fixed rules to be observed and controlled by us, by Parliament, the Commission and the Governments. In a socially committed market economy competition represents the means of compelling undertakings to satisfy the demands of the consumer. Without competition they would not need to do so. The first social law of competition, then, is that it must exist and be maintained. Otherwise the market economy does not have a social function.

This secret was not uncovered until the beginning of this century and effectively not until the Second World War during the opposition to Hitler. But we must remind ourselves again and again that competition is not something, some technical matter, which may or may not exist. It must exist if a social market economy is to emerge. The obedience competition forces on the undertakings will, however, be successful only if an undertaking cannot escape this compulsion,

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for example by merging or coming to an agreement with another company. That is why it is not enough, gentlemen of the Commission, to look into big cases when complaints are received from private individuals: we must have a situation — and here again I agree with the chairman of the committee — in which we have almost complete control over what is going on, even if private individuals do not complain, because they often complain far too late, they feel dependent and do not have the courage to complain.

And everyone should realize this. Preventive action must be taken. If companies know that it is a very costly business to ignore the rules on competition, they will not take the chance. What is needed is a process of education, for which not just anybody can be made responsible. Competition divides power, and what is more important in our Community than ensuring that power groups do not form, because then we will not need to bring major actions against the powerful later. Moreover, competition is the only motive force which really causes progress, compels the reduction of costs and the introduction of new processes and makes the risk thus taken really worthwhile and necessary. In other words, competition is in fact the soul of our European Community where the market economy system is concerned. If we now consider the discussions we have had in committee and Mr Damseaux's report, we become aware of quite a number of sins that have above all been committed by the governments, which rather than really getting to grips with the troublesome subject of non-tariff barriers to trade have used them in one way or another to protect themselves against competition from the other countries.

I feel that must be clearly said here, and the governments must beat their breasts, because not to tackle trade barriers but to leave it to us to wrest them one by one from the governments' hands, is not what the Treaty intended. It is an attitude directed against the Treaty. I should like to say quite frankly here that Parliament is the place where the governments, the Council and the Commission must be told this. The Commission must be told because I find that it does not handle the Council vigorously enough when it fails to take action. Let me give you an example: we still have tobacco monopolies. I do not need to name the countries. One of them is a particularly beautiful country. Since 1970 this country has been required to abolish its tobacco monopoly. It has been called upon to do so several times. The Court of Justice has made its judgment. But nothing has happened. What does the Commission do to denounce this situation? Again, nothing. So, ladies and gentlemen, if we continue to use our own rules this way in the future, who is going to believe that we consider competition to be the decisive dimension. It starts with the delay, and then comes inaction.

There are many such examples. The Council has done nothing to translate preventive control of concentrations into reality, as Mr Delors has already said. Mr

Delors, I hope you have had a word in Mr Vetter's ear — I see him sitting over there — on one point: you called for the greater involvement of the trade unions. From my own, unhappy experience I must tell you that when the first elephants' wedding took place in Germany and I criticized it in public, I was given a thrashing not only by the chairman of the supervisory board and the president of the employers' association, but also by the trade unions. You were just as much in favour of that elephants' wedding as the president of the employers' association. If the situation changed in the future and the trade unions supported me in preventing these mergers from taking place, I would be very happy, we would become a good deal stronger.

Mr Delors is right. If we do not coordinate the national legislation of our countries, the Commission's and Council's efforts will be more or less unsuccessful. This is also true of barriers to trade, a very important aspect. If we cannot even prevent very large undertakings emerging because of technology, in the steel sector for example, then we must at least do a great deal more to ensure that small, new undertakings appear on the market, because only if there is a large number of suppliers, can competition perform its proper function. In this respect, I still await suggestions and practical measures for allocating more research funds at low interest rates to medium-sized undertakings, for example, to enable them to cooperate with other countries, in other words to become multinational, to receive more of the subsidies that are given for territorial development. In almost every case, it is the large undertakings that get the money, and then the small ones are not there to make the large companies viable. We all know that this is an issue that has played a major role in the south of Europe as well.

Mr Delors, you have mentioned something which I should not like to leave undisputed: competition for unnecessary things — and then you mentioned soap powder. We often hear this: unnecessary competition for unnecessary objects. Ladies and gentlemen, what is necessary and what is unnecessary must, in my opinion and in the opinion of my group, be decided by the public. They must decide whether they consider soap powder necessary or unnecessary or otherwise. And then I should like to say, be honest: abundance is the only fine thing, whether it is in nature or whether it is the extra pound you can spend. It is not pleasant to have only the bare essentials. We must not forget this if we intend to speak on behalf of our citizens without being presumptuous. Please let them decide what they really want.

The public contract sector is a bad business. That is also evident from what Mr Damseaux has said. A particularly cunning trick is simply not to involve anyone else. They do not have any say. Anyone who has ever been in local politics for a few years will know that this is a loophole through which competition must pass, through the agreements that have to be made. I urge the Council and Commission to attach particular

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importance to this subject. The time we have to deliberate is far too short to enable us to go into detail. A proposal has been made, and it will undoubtedly come up again: the major subject of barriers to trade, which do not constitute a technical problem but an evil throughout Europe. This subject should be discussed thoroughly once a year, so that the general public in all the countries can see what is still going on in this respect. No one can claim not to be one of the evil-doers.

I should like to close with two suggestions: firstly, I find we take too little advantage of involving our citizens in the fight for a change of attitude towards competition. The Council and Commission do too little, in our view, to inform the public in advertisements, in books, in talks, of the fundamental importance of competition for them all and to explain that their freedom to decide what is to be produced depends entirely on the continued existence of competition and that there could be far greater reductions in costs throughout Europe if competition really worked in the Community. I consider that the governments have a duty to make every effort to increase this awareness. We parliamentarians have the same duty, but our voice carries much less weight than that of the governments and the Commission. At least the press would have us believe so. Whether that is correct is another question.

Secondly, those who go against the rules, those who encourage protectionism, those who invent new barriers to trade are not doing their citizens a service. They are eminent examples of evil-doers who are acting contrary to the citizens' interests, and everyone — the Commission, the Council and Parliament — should make this quite clear everywhere. Those who resort to opportunism and support protectionism because of the next elections in their constituencies are acting contrary to the interests of Europe. I feel we should have the courage to introduce this moral component into the game. The consumers are after all the very people who could and would support us in this. Protectionism is not compatible with the spirit of the Treaties.

I will conclude with something which may astonish you, but I will always close with these words. I shall quote, in a somewhat modified form, Marcus Portius Caro: *Ceterum censeo Europam esse faciendam*.

For the younger interpreters, this means that Europe must be completed, or we shall not have competition to the benefit of the citizens.

(Applause)

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

Mr Hopper. — Mr President, I wish to offer a hearty welcome to the excellent report of Mr Damseaux, which is strongly supported by my group. Competition policy is at the heart of the European Community.

The European Democrats have moved two amendments to this report. The first is to paragraph 11, and will be dealt with by the honourable Member for West Hampshire. I shall seek to explain the somewhat innocuous wording of our amendment to paragraph 20.

Our object in tabling this amendment is to draw the attention of the Commission to a lack of clarity and efficacy in the rules governing the investigation of suspected breaches of the competition law. We recognize the importance of the Commission as guardian of the Treaties, but are the rules of procedure in all cases fair and comprehensible? Is there not a case for strengthening the safeguards available to the other side? Article 14 of Regulation 62 is, to say the least, unclear concerning the rights of the accused. In my opinion, the same individuals and the same departments within the Commission play too many roles. Is it right that one person, or a small group of people, should be called upon to record restrictive practices, to investigate them, to prosecute, judge, sentence and execute the sentence? Furthermore, there is a need for a proper appeals procedure, which would allow a review of factual matters. In the course of this procedure, questions should be asked such as whether the Commission has conducted a proper investigation and taken proper account of all factual matters. Once a procedure of this kind is established, the Court of Justice would be enabled to act simply as a supreme court on matters of law.

The most important thing is that the procedures should be fair and be seen to be fair. In some aspects of the registration and decision-making processes, the dice would appear to be loaded against the companies. For example, there are hundreds, indeed thousands, of notifications every year, but very few decisions. Often these decisions occur years after the original notification was filed. Ought there not to be a clearly established *terminus ante quem*, in other words, a date by which the Commission must either act or grant immunity?

Paragraph 13 refers to tax harmonization. Some may feel that it is superfluous, since the Commission is about to publish a report, a green paper, on this very subject. However, the European Democratic Group sees no reason to object to the paragraph on these grounds.

I would remind the House that the tax system should not inhibit the brake up of conglomerates. For many years, it has been the received wisdom in the United Kingdom that bigness was goodness, that large enterprises achieved economies of scale necessary for efficiency. When we look at the sad performance of British Leyland and British Steel in recent years, we can

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realize what a fallacy this is. When we harmonize the tax system, we must do it in such a way that it does not inhibit the break-up of unwieldy conglomerates.

In conclusion, Mr President, I would remind the House that the common agricultural policy is often called the only working policy of the European Community. In a narrow and legalistic sense this is true, but in a broader sense it is untrue. The European Community has two major working policies. One is the competition policy and the other is the agricultural policy. I would suggest that in the long term the competition policy is likely to be by far the more important and indeed, as Mr Delors has reminded us, it is one of the principal pillars of the Community.

I believe that the competition policy is starved of funds. I would doubt whether DG IV can discharge its responsibilities without a considerable increase in resources.

(Applause)

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

Mr Leonardi. — *(I)* Mr President, in point of fact, no one regards competition as an end in itself but only as the means of making the best use of available resources to meet our needs. What sets this group apart from many of those who have spoken or will speak in the debate is not the degree of devotion to competition but the fact that we realize that, nowadays, competition can only operate within the framework of deliberate planning decisions; in other words, general development objectives.

Experience and the present crisis have increased the number of those who take this attitude. In our view, the passage of time, the process of integration and changes in the international situation in which the Community has to operate have reduced the advantages of the competition policy and both the Commission and Parliament must, accordingly, treat those changes as an opportunity to make the policy once more fully effective.

In recent years, our countries have received severe shocks as a result of changes in prices and changes in their relationship with non-member countries. This has called for structural changes which cannot be carried out simply on the basis of a competition policy.

As the process of integration has advanced from the era of largely 'passive' interventions to that of 'active' interventions, in other words, interventions for the deliberate creation of conditions which enable better use to be made of resources through competition between companies, the Community has, in our view, failed to move with the times.

As Commissioner Vouel said, it is no good expecting too much from the competition policy, giving it tasks it is incapable of performing or thinking that unrestricted competition is a substitute for economic, social etc. policy. Nevertheless, under the Treaties of Rome, competition is one of the pillars of the Community and the competition rules constitute one of the few areas where the Treaties and the regulations have vested the Commission with power to take decisions on its own. Subject to political supervision by Parliament and the Court of Justice, the Commission exercises this power independently of Member States and undertakings, a point made earlier by Mr Hopper. As a basic policy, the competition policy has a positive role of its own, the essence of which is to safeguard the conditions of free competition between enterprises but the circumstances in which competition takes place undergo change as time goes on and the Community should adapt its policy to the change in circumstances which it is itself partly responsible for creating. This is the crucial element of the political supervision exercised by Parliament and justifies it in becoming directly involved, but this means something more than studying the numerous individual examples of intervention which, in the Eighth Report, are set out without any indication of the criteria of priority.

What, in fact, can we say about competition policy as described in the Eighth annual Report? It is obviously inadequate. Although we may agree with many of the comments and criticisms in the Damseaux Report, we cannot endorse it since it fails to make an overall appraisal and lacks an acceptable political approach.

We welcome the wealth of information and detail concerning the individual cases to which Articles 85 and 86 have been applied. However, because we regard the effects of competition policy as more important than the policy itself, we believe it would have been of value to provide relevant information about the actual pattern of trade in goods and services, especially within the Community and its various sectors, if only to give us a better idea of the opportunities made available to small and medium-size enterprises to achieve their competitive potential.

Commissioner Vouel may say that information of this kind is outside his province, but we must have it before we can make an appraisal of the effects of a policy, such as that on competition, which is largely 'horizontal' in character.

We also appreciated the wealth of detailed information on the price of kerosene to the various airlines, but we wonder whether, as an indication of the effects of competition, it would not have been equally, if not more useful to expedite the investigation into the internal transfer prices of the big international oil companies. In this connection, it would be of value to look into the behaviour of the Rotterdam market and its effect on petrol prices and supplies in our various countries.

Leonardi

As other speakers have pointed out, the problem of transfer prices must be dealt with if the conditions of competition are to be safeguarded in fields where the multinationals operate.

We are also very much in favour of the basic rule that aid to industry must not merely result in maintaining the *status quo*. This means, however, that the situation must be fluid, that is to say, sectors in decline must be replaced by sectors in course of development. Why, therefore, was no stimulus given to the development of a new policy, in the electronics industry for example, by a report on the noncompetitive position enjoyed by IBM, the dominant undertaking in that field?

I could give many other examples. I could comment on certain studies that have been made and criticize others for their inadequacy but I will conclude with a few remarks on the last part of the Eighth report.

Here again, we feel unable to go along with Commissioner Vouel when he tries to dispose of the matter by saying that, ultimately, the difference in production and distribution costs is, of course, reflected in differences in price which, as a rule, are substantial evidence of effective competition.

We do not believe that this is, in reality, the explanation for the wide differences in the price of certain products sold in the countries of the Community. In our view, the explanation is to be found in the entrenched positions and massive obstacles which interfere with competition and the free circulation of goods and services.

Because we attach importance to unrestricted competition between undertakings, we regard the action taken by the Commission as superficial and inadequate. We shall, accordingly, vote against the Damseaux motion which, while criticizing the Commission's action, in effect endorses it.

President. — The proceedings will now be suspended until 3 p.m. The sitting is suspended.

(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)

IN THE CHAIR: BRUNO FRIEDRICH

(Vice-President)

President — The sitting is resumed.

10. *Urgent procedure*

President. — I have received from Mr Spinelli and others a motion for a resolution, with a request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on air links with the City of Strasbourg (Doc. 1-2/80).

The justification for the request for urgency is set out in the document itself.

I shall consult Parliament tomorrow morning on the urgency of the motion for a resolution.

11. *Decision on urgency*

President. — The next item is the vote on the request for urgent debate on *the motion for a resolution by Mr Jaquet and others (Doc. 1-841/79): Human rights*.

I call Mr Jaquet.

Mr Jaquet. — *(F)* Mr President, certain members of the Socialist Group have requested an urgent debate on a motion for a resolution relating to action that needs to be taken to secure respect for human rights.

I need scarcely emphasize the importance of this motion. Human rights are being flagrantly violated all over the world: in the East as well as in the West, in the North as well as in the South, within our Community even, but more seriously so in other parts of the world.

The invasion of independent countries and the continued existence of authoritarian regimes are proof enough that all around us still there are instances of oppression of the most brutal kind. The fundamental freedoms that guarantee human and civic rights and also those that guarantee the rights of workers are being seriously undermined. In the circumstances, could we react otherwise than promptly? For what is the ultimate purpose of a democratic assembly like ours if not to do everything in our power to push forward the frontiers of political, economic, social and cultural liberty?

As we see it, the need for urgent action is made more pressing by the approach of the Madrid Conference on Security and Cooperation in Europe. It is also our ardent desire in the run-up to the Conference to secure acceptance by all nations, whatever their political complexion, of the principle that respect for human rights must be an integral element of all international relations.

And so we wish to put before this Assembly a number of specific proposals, which I shall summarize in a few

Jaquet

words. We are calling on Parliament to instruct the appropriate committees to look into any instances of infringement of liberties in the countries of the Community. But, given Parliament's jurisdiction in the area of political cooperation, we have a universal brief and, whilst the Community's problems must take priority, we cannot turn a blind eye to what is happening elsewhere in the world. That is why we are also asking that these investigations be backed up by comparisons with what is happening in other European countries and elsewhere. We, for our part, could not possibly endorse any proposals of a more limited nature.

Lastly, we feel that these committees should submit to this Assembly a precise and detailed annual report, whose conclusions would be widely circulated.

Mr President, there you have the broad outline of our motion. It reinforces what is always at the forefront of our minds, namely that respect for human rights and fundamental freedoms must continue to form the essential basis of all human order and be the underlying principle of all international relations.

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

Mr Ansart. — (*F*) Mr President, in giving a brief explanation of vote on behalf of my group I should like to present to you a few comments from the French members of the Communist and Allies Group on the motion before us.

The vote that we as a group shall be casting shortly is inseparable in our minds from the vote cast this morning on our own motion, about which I should like to say a few words now.

The fact that the House turned down by an overwhelming majority our proposal for a commission of enquiry to look into human rights violations in the Community confirms what we have said in previous debates, that many of the delegates to this Assembly place a selective interpretation on human rights and use them to further their own petty political ends. I refer to the hostile nature of the interruptions and the insufferable interventions, particularly by Mr Galland. We are not questioning here the right of every person to discuss our proposals, but it is not for Mr Galland and his group to lecture us. For years now his group has given sanctuary to Mr Achenbach, who was assistant to Otto Abetz in Paris and who was thus responsible for the deportation of thousands of Jews.

(Applause from the extreme left)

As long as I have been in this Assembly — seven years all told — never have I heard even the merest hint of an official protest from this group.

Let us not forget, either, that it was Mr Klepsch and his friends, who greeted Mr Georges Marchais's speech with so much sarcasm, that picked Mr Jahn to head the list in the European elections in Lower Saxony, a propagandist who has written the worst possible things about the Jews and who has for years been a member of the Christian-Democratic Group in this Parliament. Here again, the leaders of his group could not have been unaware of his past, yet they covered it up.

Finally, it is difficult not to feel regret that the Socialist Group found itself, for the most part, in the same camp as the Liberals, Christian Democrats, European Progressive Democrats and Conservatives in opposing our resolution.

As for the French Socialists, we note that they did not care to commit themselves. Anti-communism and petty intrigues exerted a stronger pull than the effective defence of human rights. We of the Communist and Allies Group, on the other hand, will be voting — unanimously, let me add — in favour of an urgent debate on human rights, as requested this afternoon.

(Applause from the extreme left)

President. — I call Mr Glinne to speak on behalf of the Socialist Group.

Mr Glinne. — (*F*) Mr President, the Socialist Group has always taken a universal and overall view of the defence of freedom that encompasses not only political but also economic, social and cultural rights; not only civic rights, but also the rights of the working man.

A text submitted today by our group, pursuant to Rule 25, which is in every way identical to that of Mr Jaquet and his friends, shows clearly enough that Parliament's role is to fight to push forward the frontiers of freedom on every side, first of all by taking action in respect of violations that may be occurring in the countries of our Community, and by establishing comparisons with the state of freedom in other countries of Europe and the world, bearing in mind the essential difference that distinguishes *de jure* states, with all their imperfections, from states that are in reality based on a dictatorship of the police, of a political party, or of a dogma.

It is with this in mind that the two identical texts emanating from the Socialist Group call upon Parliament to work actively, in the context of the preparations for the Madrid Conference on Security and Cooperation in Europe to be held this year, towards ensuring that all the countries that signed the Helsinki Agreement make a firmer commitment in the matter of human rights and recognize them as a fundamental principle underlying all international relations.

Glinne

The method we advocate is to entrust the appropriate parliamentary committees (Political Affairs, Legal Affairs, Social Affairs and Employment, and the Ad Hoc Committee on Women's rights) with the preparation of an annual report.

This initiative reinforces and enlarges the substance of the proposal we put forward back in July 1979, the purpose of which was to set up a subcommittee on human rights within the Political Affairs Committee. The majority of our group regard recourse to Rule 25 of the Rules of Procedure as the most appropriate formula for getting the work of the various committees concerned off the ground.

Finally, Mr President, we are delighted that the whole Parliament is today so much absorbed with the question of human rights, even if certain Members are applying excessively selective geopolitical limits to their concern.

(Applause from certain benches of the Socialist Group)

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

Mr Fergusson. — Mr President, may I say that we consider this resolution and the sentiments in it, to be mainly unexceptionable, and they might well become the subject of a wider special debate. In paragraph 8 for example, which seeks to relate human rights to international relations, I think the ideas are particularly interesting, and the whole resolution of course is very far removed from the specious nonsense put forward by Mr Marchais this morning on the same subject. There is nothing in this resolution to show that it is more urgent now than it has been in political and philosophical terms for the last 300 years, or at any rate since 1789. To give urgency to this particular resolution is simply to abuse the whole urgent debate procedure. There is nothing of a specific nature in it at all. We, therefore, on this side of the House, oppose urgency, although supporting human rights.

President. — I call Mr Klepsch to speak on behalf of the Group of the European People's Party (CD-Group).

Mr Klepsch. — (D) Mr President, my group shares the view advanced by Mr Glinne. We feel it is one of Parliament's most important tasks to look at the question of human rights. From the outset we have endeavoured to face this task, and I believe that it would be sensible to refer this opinion of Parliament back to the appropriate committees. I agree with Mr Glinne that we should apply Rule 25 and not Rule 14, as has rightly been said. My group shares the view put forward by Mr Glinne and, as I understand it, by Mr Fer-

gusson. We are in favour of the committees clarifying this question, and we do not believe that there is a particular need for this House to resort to an urgent debate. We are therefore in favour of the application of Rule 25 and of the matter being referred to the appropriate committees.

President. — I call Mrs Macciocchi.

Mrs Macciocchi. — (F) Our group will be voting in favour of urgency on this motion for a resolution. However, there does remain one problem to be cleared up which concerns the appointment of the committee that is to deal with human rights. As you are aware, there is at present a difference of opinion between the Legal Affairs Committee and the Political Affairs Committee, which have been tossing the ball back and forth for several months now.

We need therefore, as a start, to approach the Bureau as soon as possible on the question of a subcommittee on human rights, while keeping in abeyance the matter of an *ad hoc* committee on human rights.

I have only one thing to say in reply to Mr Ansart, and that is that if we did not vote for the resolution this morning it is because — and I say it again — for us human rights are the same in Kabul, in Paris or in Rome.

(Applause from various quarters)

President. — When a dispute arises concerning the committee responsible, the Bureau, and it alone can decide each case on its own merits. In this case it will have to decide between the Legal Affairs Committee and the Political Affairs Committee. Other committees will certainly be asked for their opinions.

I put the request for urgent debate to the vote.

The request for urgent debate is rejected. Pursuant to Rule 25 of the Rules of Procedure this motion for a resolution will be referred to the appropriate committee.

I call Mr Sieglerschmidt on a point of order.

Mr Sieglerschmidt. — (D) Mr President, what I have to say now is primarily addressed to the Member who took the chair this morning. But I should also like to call on the Bureau in future to anticipate what this House will undoubtedly decide one day and to proceed in such a way that when the House is called upon to vote on urgency, it votes on the subject matter, that is on all the requests together, rather than on individual requests. I realize, of course, that the requests were made at different times, but it would have been possible to vote on both requests this afternoon. This might

Sieglerschmidt

have meant that Mr Marchais could not have held his press conference at a time that suits the press, but he might have got over that loss.

(Laughter from various quarters)

President. — I think, Mr Sieglerschmidt, that we must all bear in mind that we sit in a multilingual Parliament and that the work of the translation services depends on how quickly they receive the motions for resolutions. That was the problem this morning.

12. Votes

President. — The next item is on the vote on motions for resolutions on which the debate has been closed.

I put to the vote the *motion for a resolution by Mr Newton Dunn and others (Doc. 1-764/79): Fight against drug abuse.*

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

The motion for a resolution is rejected.

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I put to the vote the *motion for a resolution by Mrs Bonino and others (Doc. 1-766/79): Fight against drug abuse.*

The motion for a resolution is rejected.

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President. — I put to the vote *the motion for a resolution contained in the Catherwood Report (Doc. 1-640/79): Common Customs Tariff.*

The resolution is adopted.

I call Mr Pranchère for an explanation of vote.

Mr Pranchère. — *(F)* Mr President, I am sorry that I was unable to give this explanation of vote earlier even though I was down to speak and made my desire to speak plain enough. Be that as it may, let me state now our reasons for opposing the motion.

The beef policy that we are being asked to accept would have seemed to be completely misguided were it not seen as part of a manifest conspiracy against our

beef producers, already hit by an appreciable decline in market prices and threatened by the Commission's provocative proposals on farm prices.

As regards beef, in the current year the Community is now importing 465 000 tonnes virtually levy-free. If we add to these imports the unsold stocks, we get a figure of 850 000 tonnes as against a Community production deficit of only around 190 000 tonnes. This would give us a theoretical surplus for 1980 of 650 000 tonnes.

Furthermore, the Commission is proposing to modify the market intervention conditions by banning all withdrawals of beef from 1 April to mid-August. This is nothing short of an outrage. There is therefore absolutely no question of the French Communists standing idly by any longer whilst their markets are being flooded by meat entering our country duty-free and our beef producers are being sacrificed in the same way as they want to sacrifice our lamp producers, our wine-growers and our fruit and vegetable growers to be the appointed victims of the enlargement of the Community by the accession of Greece, Spain and Portugal.

You will recall that we voted against the entire series of GATT agreements and that we alone spoke out against such a policy. There are many here in this Parliament who make out that the agricultural policy is costing us too dear. But let me remind you that the cost to the Community budget of our beef imports is of the order of 700 million EUA, or 4 000 million French francs. Those are the facts of the problem.

We cannot go on allowing the incomes of our farmers and French production in particular to suffer as a result of imports, no more than we can accept the dismantling of the beef market.

With regard to the fruit and vegetables referred to, they are trying to force on us a regulation that in no way answers the problem at which it is aimed. Prices to the producer are falling, while those to the consumer are rising and the only ones to benefit are the profiteering big merchants. And so we must first of all restrict imports — . . .

(Cries of: Vive la France)

. . . Yes, Sir, *Vive la France!* and we are proud of her! — and insist on respect of the principle of Community preference.

Believe me, Mr President, if the French farmers, beef producers and fruit and vegetable growers had been with us in this Chamber they would have voted against this report along with the Communists.

President. — I call Mrs Cresson for an explanation of vote.

Mrs Cresson. — (F) Mr President, my explanation of vote, which will be a good deal more brief, is based on a few statistics. Clearly, the French Socialists cannot support the Catherwood report. Why?

Because these imports of 38 500 tonnes of beef rise all of a sudden to 50 000 tonnes of boneless meat and if you include the so-called 'Hilton beef' — a meat of excellent quality — and the imports of buffalo meat, you arrive at a total figure of 73 250 tonnes of boneless meat, which is equivalent to 100 000 tonnes of carcass — or, to put it another way, the best parts of thousands of animals. Just imagine thousands of cattle entering the Community without any duty! Imagine, also, an agreement of this kind coming on the eve of the entry of Greece into the Community, which means of course that she will be able to continue to obtain supplies without payment of any levy. And where is the difference going? It is going into the pockets of operators who arrange these import deals from inside the Community.

We say that this is unfair to Community farmers, not just to French farmers but to beef producers throughout the Community, and particularly when the Community is currently almost self-sufficient. We think this is a scandal and in no way can we endorse this report.

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President. — I put to the vote *the motion for a resolution contained in the Barbarella Report (Doc. 1-719/79): Modernization of farms.*

The resolution is adopted.

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President. — We shall now consider *the motion for a resolution contained in the Cronin Report (Doc. 1-715/79): Community regional development projects.*

I call Mr Klepsch on a point of order.

Mr Klepsch. — (D) Mr President, we have before us several identically worded amendments on five different subjects. I am wondering whether we should not vote on them together. We have five subjects on which — I hope Mr Cronin, the rapporteur, will agree to this — the situation as regards voting is exactly the same. I therefore propose, to save time, that the vote apply to

all five amendments. I do not believe that there can be any serious opposition to this, because it is merely a question of procedure.

President. — Mr Klepsch, I suggest that each amendment be voted on in turn. The vote has therefore been organized in this way. Moreover, if we take the amendments one after another it will be easier for Members, particularly those who do not sit in the corresponding committees, to follow the vote than if we took the amendments in groups.

I call Mr D'Angelosante on a point of order.

Mr D'Angelosante — (I) Mr President, I cannot accept your ruling that explanations of vote must take place after the vote. The relevant provision in the Rules of Procedure, which is Rule 26 (3), must be interpreted as meaning that the explanation of vote must be made before the matter is put to the vote.

A proposal to amend this provision is at present being considered by the Committee on the Rules of Procedure and I should not like the decision of the President of the sitting to be made before the Committee reaches a decision. May I suggest, Mr President, that you abide by the Rules so long as it remains in force?

President. — Mr D'Angelosante, there is no disagreement between us. I too am a member of the Committee on the Rules of Procedure and Petitions, and of course the President observes the existing Rules of Procedure. It happened only a short time ago that a request was made to give an explanation of vote in the middle of the voting.

I call Mr De Pasquale.

Mr De Pasquale, chairman of the Committee on Regional Policy and Regional Planning. — (I) Mr President, I rise under Rule 31 of the Rules of Procedure, which reads as follows: 'The chairman and the rapporteur of the committees concerned shall be allowed to speak at their request.' I do so to give the House an explanation concerning Amendment No. 1 submitted by Mr Cecovini.

At the meeting of the Committee on Regional Policy and Regional Planning, a number of members submitted similar amendments calling for extension of the regulations to other areas and intervention sectors. I must place on record that all the political groups represented, that is to say, the Christian-Democratic Group, the Socialist Group, the European Democratic Group and the Communist and Allies Group, agreed to withdraw amendments in order to avoid a race to extend the regulations and thereby change them out of all recognition.

Pasquale

That is the background to Mr Cecovini's amendment, and that is why I should like to ask him to withdraw it, although I fully appreciate the arguments which he advanced this morning. I do so for the further reason that, after the committee had taken its decisions on amendments similar to Mr Cecovini's, I received, in my capacity as chairman, a letter from Commissioner Giolitti acknowledging receipt of all amendments on these lines which were not carried in committee and giving an assurance that, when the Commission prepares fresh proposals for non-quota measures, it will give careful consideration to the points made in those amendments.

To be fair to everybody, I suggest that Mr Cecovini's amendment should be treated in the same way and be subject to consideration later. I share the misgivings he expressed, but those voiced by other members were equally justified. They acted correctly by refraining from re-submitting their amendments in the House and it is only proper that his amendment should be withdrawn.

President. — I call Mr Gendebien.

Mr Gendebien. — (*F*) Mr President, on this occasion I am ready to agree with Mr Klepsch. I am in fact the author of eighteen amendments and the wording of some of them is identical inasmuch as they apply to five regulations. Therefore, to save Parliament's time I propose that separate votes be taken on amendments 12, 13, 14 and 15 and that a single vote be taken first of all on amendments 16 to 20, which are identical, then on amendments 21 to 25 and finally on amendments 26 to 30. In this way, instead of having eighteen votes on my amendments you will have no more than seven.

President. — I call Mr Cecovini.

Mr Cecovini. — (*I*) Mr President, I was not present at the meeting of the Committee on Regional Policy and Regional Planning at which the various groups agreed to withdraw this type of amendment. Obviously, I am not committed to the same extent although, if I had been there, I should certainly have given consideration to the appeal which the chairman of the committee has now addressed to me in the Chamber.

There is, I think, a distinction between my amendment and the others. My amendment concerns the inclusion of a frontier zone adjacent to Yugoslavia in the list of regions. It is on the frontier of the Friuli-Venezia Giulia region, which is also that of Italy and the Community. This is the distinctive characteristic of a region whose interests would be put at grave risk if no countervailing action were envisaged when signatures are

put to a Treaty which will, in effect, cut it off from all Community traffic.

In terms of Community regional policy no less than national policy, it is essential that, without creating any precedent, the region should be covered by the first regulation. It would demonstrate that a special case merited special treatment. This is why, in all honesty, I cannot agree to withdraw the amendment which, to my mind, is justified on exactly the same grounds as those given for the inclusion of other regions in the first regulation.

I am sorry that I was temporarily absent from the Chamber when Mr Giolitti replied, so I do not know whether he dealt with the points I have made. This is another reason why I must insist on the amendment being put to the vote.

President. — We shall begin by considering the amendments tabled to the Council's proposals for a regulation. On Article 2 of the proposed Council regulation I have Amendment No 1 by Mr Cecovini seeking to reword the article as follows:

2. The specific measures shall be applicable to the regions of Midi-Pyrénées, Aquitaine and Languedoc-Roussillon in France and the regions of the Mezzogiorno and Friuli-Venezia Giulia.

What is the rapporteur's position?

Mr Cronin, rapporteur. — Mr Cecovini has made a very able case in support of his amendment. Nevertheless, it tends to add to the list of regions covered by this draft regulation and the committee has already rejected similar amendments. In the circumstances I cannot recommend the acceptance of this amendment.

President. — I put the amendment to the vote.

Amendment No 1 is rejected.

On the first subparagraph of Article 3 (1) of each proposed regulation Mr Gendebien has tabled Amendments No 16 to 20 seeking to reword the Article as follows:

- 1 The specific measures shall be implemented in the form of a special programme (herein after referred to as 'the special programme') to be presented to the Commission by each of the Member States concerned, together with a reasoned opinion drawn up by the regional authorities concerned'

(rest unchanged)

What is the rapporteur's position?

Mr Cronin, rapporteur. — Mr President, these amendments were already rejected by the committee so I cannot recommend their acceptance at this point.

President. — I put Amendments Nos 16 to 20 to the vote.

Amendments Nos 16 to 20 are rejected.

On Article 3 (5) of each proposed regulation Mr Orlandi has tabled Amendments Nos 7 to 11 seeking to reward the paragraph as follows:

- 5 The *provisional* total amount of the Fund's contribution to the specific measure shall be *indicated in the financial record*.

It has been suggested that in these cases the amendments should be voted on together.

Are there any objections?

That is agreed.

What is the rapporteur's position?

Mr Cronin, rapporteur. — Mr President, your rapporteur and the chairman of our committee supported the amendment of the Committee on Budgets which had to draft an opinion on the proposals. I am recommending the House to accept Amendments 7-11.

President. — I put the amendments to the vote.

Amendments Nos. 7 to 11 are adopted.

On article 3 (7) of each proposed regulation I have two series of amendments:

— Amendments Nos. 2 to 6 by Mr Orlandi seeking to add the following new paragraph:

7. The commission shall inform the Council and the European Parliament of the amounts estimated for each area or region following the adoption of the special programme.

— Amendments Nos. 21 to 25 by Mr Gendebien seeking to add the following new paragraph:

7. As soon as it has been approved, the Commission shall forward the special programme to the regional authorities concerned for information.

These series of amendments are not mutually exclusive.

What is the rapporteur's position?

Mr Cronin, rapporteur. — Mr President, on Amendment No 2 I recommend acceptance. It was accepted by the committee.

Amendment No 21 was rejected by the committee, but I do not think it will cause any problems if it is accepted. I would therefore recommend its acceptance.

President. — I shall put each series of amendments to the vote separately, as the position of the committee is different on each.

I put Amendments Nos 2 to 6 to the vote.

Amendments Nos 2 to 6 are adopted.

I call Mr De Pasquale.

Mr De Pasquale, chairman of the Committee on Regional Policy and Regional Planning — (I) Mr President, since it is the duty of the rapporteur to report the committee's opinion, I should like you to give an official ruling.

I think I made it clear that the committee, of which Mr Cronin is rapporteur, was in favour of Amendment No 2. However, as Mr Cronin reported, the committee is not in favour of Amendment No 21 because, at its meeting, the committee decided against it. I do not consider that the rapporteur has any right to substitute an opinion of his own which is contrary to that expressed by the Parliamentary committee.

President. — That is why I did not, as I could have done, put both to the vote simultaneously.

I put to the vote Amendments Nos 21 to 25.

Amendments Nos 21 to 25 are adopted.

On Article 3 of each proposed regulation I have Amendments Nos 26 to 30 by Mr Gendebien, seeking to add the following new paragraph at the end of this article:

8. Consultations shall be held at least once a year between the Commission and the regional authorities concerning the implementation and state of progress of the special programme.

What is the rapporteur's position?

Mr Cronin, rapporteur. — This amendment, Mr President, was already rejected by the committee, so I cannot recommend its acceptance now.

President. — I put the amendments to the vote.

Amendments Nos 26 to 30 are rejected.

President

We shall now vote on the motion for a resolution.

I put to the vote the preamble and paragraphs 1 to 7.

The preamble and paragraphs 1 to 7 are adopted.

On paragraph 8 I have Amendment No 12 by Mr Gendebien seeking to reword this paragraph as follows:

8. Notes that more than half the financial aid from the non-quota section has been allocated to regions affected by the enlargement of the Community (Mezzogiorno and South-West France), but that the adverse effects of enlargement in these regions have neither been described nor quantified by the Commission; notes also that some projects relate to the whole of the Mezzogiorno and a large part of South-West France, and asks the Commission, therefore, to ensure that these projects are concentrated in the areas of these regions which it has been shown would be most seriously affected;

What is the rapporteur's position?

Mr Cronin, rapporteur. — Mr President, I do not recommend acceptance of this amendment.

President. — I put the amendment to the vote.

Amendment No 12 is rejected.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

On paragraph 9 I have Amendment No 13 by Mr Gendebien seeking to reword this paragraph as follows:

9. Recalls, as in its resolution of 16 December 1976¹ that it is impossible to work out a real Community regional policy solely on the basis of the relations between the Member States and the Commission, to the exclusion of the regional authorities responsible for economic and social development;

Recalls that it is convinced (Resolution of 12 March 1975²) that participation by the regions concerned in the elaboration and realization of development programmes is the only way of ensuring maximum effectiveness;

Recalls that it has already proposed (Resolution of 12 March 1975²) that the Regional Policy Committee should consult the appropriate representatives of the regions concerned and take evidence from regional trade union and business organizations;

Emphasizes, therefore, the need to involve the regional authorities concerned in the shaping and implementation of special regional development programmes financed from the non-quota section;

What is the rapporteur's position.

Mr Cronin, rapporteur. — Mr President, paragraph 9 of the motion for a resolution covers adequately the point made in this amendment.

I prefer the existing text and recommend rejection of this amendment.

President. — I put Amendment No 13 to the vote.

Amendment No 13 is rejected.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

On paragraph 10 I have Amendment No 14 by Mr Gendebien seeking to reword this paragraph as follows:

10. Notes that the Commission has made a very restricted choice of zones for the project in regions affected by the restructuring of the iron and steel and shibbuilding industries;

Notes that the amount proposed for two of these regions — i.e. Wallonia and the province of Naples — are extremely modest, not to say derisory, and should be significantly increased in order to boost the effectiveness of these measures; notes, furthermore, that the problems in some other regions affected by these restructuring measures but not selected by the Commission (e.g. Lorraine) are equally serious, and underline the need to take this into account when the resources of the non-quota section are increased;

What is the rapporteur's position?

Mr Cronin, rapporteur. — I recommend that the amendment be rejected.

President. — I put the amendment to the vote.

Amendment No 14 is rejected.

I put paragraph 10 to the vote.

Paragraph 10 is adopted.

I put paragraphs 11 to 18 to the vote.

Paragraphs 11 to 18 are adopted.

On paragraph 19 I have Amendment No 15 by Mr Gendebien seeking to reword this paragraph as follows:

19. Disapproves of those provisions of Article 13 of the basic regulation according to which the Council

¹ OJ No C 6, 10. 1. 1977, p. 86

² OJ No C 76, 7. 4. 1975, p. 19

President

must take a unanimous decision 'with respect to each of the projects to be implemented', and notes that this right of a Member State to impose a *veto* constitutes a step backwards by the Community, *erodes the importance of the non-quota section and runs counter to the provisions governing the role of each institution in the implementation of the budget;*

What is the rapporteur's position?

Mr Cronin, rapporteur. — Mr President, I recommend the House to accept this amendment.

President. — I put the amendment to the vote.

Amendment No 15 is adopted.

I put paragraphs 20 to 31 to the vote.

Paragraphs 20 to 31 are adopted.

The floor is open for explanations of vote.

I call Mrs Dienesch for an explanation of vote.

Mrs Dienesch. — (F) Mr President, I should not have asked to speak had I been allowed to get a word in to reply to the Commissioner this morning. He ended his speech by saying: 'We have broken the ground and I hope that what is as yet only a track may soon become an arterial road'. I merely wanted to put a slightly different slant on this statement. Undoubtedly this specific Community action has much to recommend it since it recognizes the desire for greater regional identity, aims to accelerate the pace of development and also leaves room for more original measures.

On the other hand, I believe it can only work provided that the non-quota section remains subject to limits and is used in parallel with the normal quota system operated hitherto under the ERDF. We have had no cause for complaint, particularly when we consider the important policy of aid to infrastructures from which certain regions, mine included, have benefited. But whatever the advantages of this new approach it must be tempered with prudence. We shall see how it turns out. What I really wanted to say is that, however closely this action may match the real needs of the people as identified by the respective governments, however hopeful we may be that it will produce excellent results, we must nevertheless remain vigilant.

President. — I call Mr Gendebien.

Mr Gendebien. — (F) Mr President, I am going to abstain from voting on the motion as a whole for, whilst I am in complete agreement with the principle of setting up the non-quota section and whilst I approve and support Commissioner Giolitti's stand on regional policy, there is no getting away from the fact that the implementation of this Fund still leaves something to be desired. My first criticism concerns the inadequacy, the derisory nature of the measures proposed for the regions affected by the restructuring of the steel industry, in which area the Community has a particularly heavy responsibility. Secondly, we find that the Council of Ministers has given itself, and has in fact given the national governments, the right of veto with respect to each of the regional Community projects. This is nothing less than a negation of what has been Parliament's objective for many years and is contrary to Community spirit as such. Thirdly and finally, it is regrettable that we have not yet come round, through the resolution that we shall be voting on today, to setting up a formal channel of communication between the regions and the Commission. For if we have a genuine desire for a Europe that involves the grass roots then we must start by integrating the regions more closely into Community structures. However, it seems the time is not yet ripe. I believe this is a point that was worth making again in these circumstances.

President. — I call Mr Cecovini.

Mr Cecovini. — (I) Mr President, I too will abstain from voting, not so much because I disagree with what the Commission has done and is asking the House to endorse, as because Parliament has failed to seize the opportunity of giving fresh impetus to the Community's regional policy, the object, which should be to safeguard the interests of the Community and help its regions especially when, as at the present time, the enlargement of the Community threatens to upset the balance of interests at the expense of a frontier region.

This was the real significance of my amendment and I would have been satisfied with a similarly worded declaration accepting the principle, which would have involved no financial or financing problems.

The Friuli-Venezia Giulia Region is undoubtedly a special case. It constitutes both a national and a Community frontier. By leaving it out, we have taken a step backwards. We did the right thing in the wrong way and I can only abstain from the vote.

President. — I put to the vote the motion for a resolution as a whole incorporating the amendments that have been adopted.

The resolution so amended is adopted.

13. *Competition policy* (continuation)

President. — The next item is the continuation of the joint debate on competition policy.

I call Mr Galland to speak on behalf of the Liberal and Democratic Group.

Mr Galland. — (*F*) Mr President, the Liberal and Democratic Group wishes to congratulate Mr Damseaux, the rapporteur for the Committee on Economic and Monetary Affairs, on his truly excellent report on competition policy. This report is of vital importance in our current critical situation, dominated as it is by inflation, high unemployment and strong fears of a recession. In the present economic climate it is not unreasonable to speculate whether the Member States might not be tempted to resort once again to protectionist practices. Were that to happen, it would be a negation of the Community's competition policy as laid down in Articles 85 and 86 of the EEC Treaty.

For these reasons, the Liberal and Democratic Group, faithful to its tradition, would like to draw the attention of the Committee on Economic and Monetary Affairs to a number of points in the report that we regard as being of outstanding importance. We cannot overstate the need for the approximation of national legislation and practices in order to achieve real market unity. This is indeed an essential condition if European industry is to regain its competitive position on the international market. In particular, a determined effort must be made towards more effective fiscal harmonization. In our view it is of prime importance to strengthen the Commission's control over the financial relations between the Member States and their public undertakings. Wherever such undertakings enjoy financing facilities, aid or subsidies from the state, they are not subject to the same financial pressures as private enterprises to reduce their production costs, which leads to a totally different approach in determining selling prices. This is particularly true of the textile, iron and steel and motor industry sectors where the need to safeguard employment often prompts the state to intervene. But this can in no way justify the violation of the principle of free market competition, which ensures a maximum return on investments employed in the production of goods.

This is particularly important given Europe's heavy dependence on third countries for supplies of raw materials. Finally, I should like to press with the Commission the case of the small and medium-sized enterprises. Everything possible must be done to ensure their survival and to stimulate their activity. They make a vital contribution to the dynamic development of the economy, to greater innovation and to maintaining and even creating jobs for, as we have seen in our own country, it is the small and medium-sized enterprises that are taking the lead in creating new jobs.

Steps must be taken to reduce the tax burden that is at present stifling their initiative, to give them privileged access to Community loans and above all to simplify the administrative formalities by which they are hamstrung. We should also like to make the point that there can be no truly effective competition, especially at the distribution level, without an effective policy to make information available to consumers on the basis of which they can exercise real choice in their purchases.

Having spotlighted the points in the report that it sees as being fundamental, the Liberal and Democratic Group is happy to give this document its unqualified support. It feels that the Commission, through its supervisory function, can invigorate the policy of fair competition which is instrumental to and a guarantee of the smooth operation of the market. In this way the European Community, which is the leading power in world trade, will be able to counteract protectionist tendencies on the one hand and develop its international competitiveness on the other.

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

Mr Deleau. — (*F*) May I first of all thank and congratulate our colleague, Mr Damseaux, for both his highly informative report and the explanations he gave us this morning. His contribution to this important work has indeed been remarkable. If this report on competition policy demonstrates one thing, it is that this policy is one of the most crucial of all our common policies — being an indicator of the degree of advancement of the other policies — without in any way trying to disguise the true realities of our industrial and social policies.

Nevertheless, we have to agree, the competition policy has notched up one or two successes. There have of course been certain regrettable delays and a degree of secrecy has shrouded some of the investigations, but if discretion is essential at times it must not be at the expense of greater speed. What we are looking for, therefore, is greater transparency.

Before embarking on the actual philosophy behind the Commission's conduct of this policy, I should like to add a few words of my own with regard to the benefit to the Community of giving increased stimulus to the activities of small and medium-sized enterprises. Specifically, we call upon the Commission urgently to draw up a draft regulation providing for an exempted category of patent licensing agreements and to proceed with the least possible delay with the process of fiscal harmonization, otherwise the rules of competition will be constantly subject to distortions. We also recommend that the Commission should draw up a list of the forms of aid available to third countries to develop their small and medium-sized enterprises and to

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act to ensure that such aid does not at any time conflict with the community's industrial policy.

We note with satisfaction that the Commission does have plans to strengthen the legal security of small and medium-sized enterprises by redefining the contractual clauses on subcontracting. However, this in itself is not enough. The Commission must also review the problem of the tax burden, reduce administrative formalities and make greater use of Community loans to help them. We find that all countries are giving more and more assistance to their enterprises to help them out of the difficulties resulting from the economic crisis and the social consequences brought about by it. And it is right that they should do so. However, we should also make a point of the unfair competition that the Community is having to face up to. We must call an immediate halt to the uncontrolled imports by enforcing respect for Community preference and by invoking the Treaty and its safeguard clauses. The Commission has a duty to the Community to take action. In contrast, on the domestic front, competition has played an important part in structural adaptation: It stimulates efficiency by forcing structures to adapt or go under. The fight against agreements and the abuse of dominant positions must be the rule. In this connection, I fully endorse the sentiments expressed this morning by the chairman of the Committee on Economic and Monetary Affairs, Jacques Delors.

I now come to the matter of the adoption of the proposal for a regulation on the control of concentration of enterprises. We should like to know what progress the Council has made with its work. At all events, we say that the Council must, as far as the legal basis of this regulation is concerned, take account of the unanimous view expressed by the Commission, by Parliament as well as by the Economic and Social Committee, which believe that this regulation is quite rightly based on Articles 87 and 235 of the Treaty. Where control is concerned, we are of the view that there are fewer disadvantages inherent in preventive than in retroactive control.

We should like to point out that the problem of coordinating Community measures with national measures is not a problem peculiar to competition policy. Community control of concentration side by side with national control is not an impossibility. A convergence of views is all the more desirable as certain material and social interests are involved. On the other hand, any allowance made at Community level for national measures must never be allowed to prejudice either the conditions of competition within the Common Market or the institutional balance required by the Treaty.

Mr President, those are the main points arising from the Commission's report and also from Mr Damseaux's excellent document, which we approve as a whole. Nevertheless we remain sceptical about the passage in the report dealing with transfer prices. In point of fact, the principal aim of the OECD recom-

mendation adopted on 16 May 1979 was to urge tax authorities to base their approach on the ideas developed in the report produced by the OECD's Fiscal Committee. As it happens, the report lays particular emphasis on the desirability, in every specific case, of taking account of all the possible factors that could be taken into consideration when assessing transfer prices and also on the importance of exercising the greatest caution in the matter. In the circumstances it is difficult to see how the Commission could come up with any kind of proposal in this field. On the other hand, it would be of the greatest importance for the business circles of the Nine if the Council were to adopt without delay the proposal for a directive submitted by the Commission on 29 November 1976, which, by setting up an arbitration procedure, would help to eliminate instances of double taxation which can result from corrections applied in relation to transfer prices.

The subsequent oral question on the subject of the multinationals, on the international economic activities of enterprises and governments, seems to me to be directly linked to this debate. As this is a joint debate, I should like to say a few words on this question. The Community institutions have always been very concerned by the problems posed by the phenomenon of the multinational companies. However, in the guidelines it has submitted to us, the Commission expressed the view that whatever measures are taken should not impede the evolution of these companies but simply caution the Community against the secondary effects and lay down some sensible ground rules. In consequence, the Commission's proposals, no less than the OECD's, have proved to be nothing more than a catalogue of measures of far too great a generality and that is why it would certainly have been preferable to have a thorough discussion on this fundamental subject in the Committee on Economic and Monetary Affairs rather than embarking in plenary sitting on a debate which can only be of a very general nature. In the opinion of my group it would have been preferable first to get to grips with specific aspects of the real problems that exist so as not to deal in hasty generalizations and so as to avoid confusing the causes of certain phenomena with their manifestations within the multinational companies.

Although some regard them as an evil, multinational companies do have a beneficial side to them. They contribute to the creation of employment, to technological innovation, to the launching of new products and to the development of the regions. All the same, we must recognize that their location does in turn create some very serious problems. So much so that they are caught in the middle of a fundamental debate. The theoreticians and the experts are joining battle: on one side the liberalists and on the other the interventionists. I do not propose to discuss the merits of either side of the argument. On the other hand, we cannot stop at the Commission's definition of the principles and objectives. We need to identify some specific elements on the basis of an analysis of the economic, fi-

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nancial and social functions assumed by multinational companies. There must be a serious and positive discussion of this problem, the importance of which is universally acknowledged. And then we shall be getting to the bottom of things. We shall look at the consequences of the lack of fiscal harmonization at Community level, we shall identify and even expose the tax haven countries, because in trying to avoid taxation multinational companies are responsible for the transfer of vast sums of money. All this requires great vigilance on the part of the public authorities which will have to regulate the parallel markets — particularly the Euro-currency markets, which we say should be covered by a proper framework of controls — and try to work out some courageous solutions. We shall study the social effects of the multinationals, for these are manifold. It will be necessary to stress that when states are eager to attract this or that multinational company they should also make them aware of their social obligations, guiding them towards a position of greater stability, both in economic and monetary terms and in terms of the level of employment.

Mr President, those are a few thoughts that occurred to us and a few suggestions that my group hopes Parliament will give thought to.

President. — I call Mr De Goede

Mr De Goede. — (NL) Mr President, ladies and gentlemen, I should like to compliment Mr Damseaux, the rapporteur, on the good work he has done and then refer to the statements made by the Committee on Economic and Monetary Affairs in the motion for a resolution, which rightly points out again that effective competition is fundamental to the smooth operation of the market and constitutes an essential component of economic and social policy.

Economic factors such as slow or completely absent growth, necessary structural changes, renewed inflation and a growing tendency to revert to disastrous protectionism are a threat to that inherently correct principle.

To stand still is to move backwards, for sure, and a strong appeal to the Commission to continue its efforts to ensure the proper, full and adequate application of the competition policy is by no means superfluous.

The Commission's Eighth Report is very detailed. But I cannot escape the impression that momentum has been lost. After all, too little progress has been made towards fiscal harmonization, there is clearly too little coordination between the Member States with regard to tax controls, and practically no progress has been made in the harmonization of social insurance systems and the costs involved. Technical and administrative barriers to trade are, it would seem, increasing

rather than decreasing. There is still far from enough transparency in the activities of the multinational companies, and too little attention is still paid to the small and medium-sized undertakings, which, as the Damseaux report rightly says, make a vital contribution to the dynamism of the economy, innovation and the maintenance of employment. And then there is, and I would emphasize this here today, what I feel is the increasing volume of black money circulating in our Community, although this is denied. A week ago the Council of Europe in Strasbourg devoted a special symposium to this subject. It is clear that individuals and companies involved in this circulation of black money form a separate threat to a fair competition policy. And this threat is growing.

In the four and a half years in which I held a political post in the Dutch Finance Ministry I gradually realized that in the Netherlands alone the amount of black money in circulation can be conservatively estimated at not far below 10 % of national income. That is equivalent to 20 000 to 30 000 m guilders. This estimate, and I would stress that it is only an estimate, would mean, translated into European Community terms, that the black money circulating in our European economy amounts to about 200 000 to 300 000 m guilders. I repeat, this is only an estimate, and I should like to see it replaced by a thorough investigation producing more definite conclusions. But it seems certain that the extent of this problem is undermining and threatening fair competition. After all, the contractor who does not pay any social insurance contributions or taxes can easily offer a lower price than a competitor who does abide by the rules.

Is it not time, I would ask the Commission with some emphasis, to put forward satisfactory proposals to put an end to this evil?

Another point to which I have already referred concerns the social charges, wages and social insurance systems, which are hardly the object of harmonization in the various countries of our Community. Whole sectors are from time to time swept away in one or more Member States because excessively low wages and the complete absence of a social security system in another country make it far more competitive. The footwear and leather industries are an example of this. What programme does the Commission have in fact for these two sectors?

I do not want to blame the Commission for everything that is wrong or imperfect. But it might well be asked whether the Commission has a clear picture of the greatest shortcomings and, even more important, what solutions it can offer. For example, is it not time to make a start on establishing minimum wages in the Community?

While customs duties used to be the major obstacle to trade, we now have to contend with the jumble of administrative and technical barriers to trade, which

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make genuine competition difficult. They must be opposed more energetically. Parliament's Committee on Economic and Monetary Affairs has realized this and set up a special working party. What does the Commission plan to do about this?

The Eighth Report says that the Council has not made any noticeable progress with regard to the proposals for regulations on the control of concentrations between undertakings. Mr Damseaux rightly points out in his report that this proposal for a regulation introducing preventive control of concentrations was approved as long ago as 1974. It is indeed regrettable that the Council still does not want to adopt this regulation, since the vitality of the economy and the interests of consumers cannot be safeguarded unless adequate competition is maintained.

With regard to international companies and their activities the Commission might also be far more active. Social policy, worker participation, profit-sharing arrangements and the maintenance and creation of jobs should be paid greater attention in this context. But the economic power exercised also cries out for greater control, not as a means of making life difficult for the multinational companies, but because, as the Damseaux report states, the activities of the national companies must abide by fair legislation which maintains a balance between the obligations they need to enter into and to prevent discrimination against them.

The trade practices of these undertakings that restrict competition must also become more transparent and they must be combated more vigorously. I should very much like to hear what the Commission has to say on this.

Finally, I endorse the view expressed in the Damseaux report that the Commission's report should henceforth examine the influence other Community policies have on competition, so that the conflicts between competition and other policies become more clearly understood.

President. — I call Mr Schwartzberg.

Mr Schwartzberg. — (*F*) Mr President, I too should like to congratulate Mr Damseaux on the extremely high standard of his report and since he said that we should try in this debate to eschew any ideological argument let me say that we agree with him and, for our part, we shall refrain from elevating competition to the level of a deity or of an idol, or simply of a myth. Because as far as we are concerned competition policy is not an end in itself. It is just one instrument among many others — and I stress many others — to be used in the attainment of the objectives of the Treaty such as, for example, promoting the harmonious development of economic activity and the necessary raising of the standard of living. Other policies as

yet too rudimentary need considerable development if they are to fulfil the social and regional objectives laid down in the Treaty of Rome, specifically in the preamble and in Article 2.

However, apart from its general merits, Mr Damseaux's report is commendable for the way it highlights the existing deficiencies and limitations of competition policy, although we would have liked to see them emphasized still more strongly. Among the deficiencies and limitations I would specifically like to mention the lack of any positive initiatives aimed at remedying the gaps and contradictions in national legislation on competition; the lack of adequate tax harmonization; unsatisfactory coordination, as far as we are able to judge, between competition policy and industrial policy, which is in any case at a pretty rudimentary stage of development; the investigations into the extent of concentration and differences in price levels which, whilst valuable up to a point, will nevertheless remain a dead letter unless they are followed up by specific measures. And lastly, of course, I should like, as many have done before me, to put to you the problem of the control of concentrations. We all know that while the Commission does have the power to control concentrations in the area covered by the ECSC Treaty, under the terms of Article 66 of that Treaty, it does not have under the terms of the EEC Treaty and legal power over industrial concentration in other areas. The Commission, as others have said — but I believe it is worth repeating because we believe this is an important point — the Commission proposed a regulation introducing the preventive control of industrial concentration as long ago as 1973. This regulation, or rather this proposal for a regulation, is still under consideration by the Council. Perhaps I should say in abeyance with the Council. We maintain that the Council must at long last adopt this proposed regulation.

For this reason we have tabled some amendments to Mr Damseaux's motion for a resolution which relate specifically to this point and which come at the end of the motion, from paragraph 23, where we are calling for three specific things: firstly, as I was just saying, for a means of control to be devised aimed at preventing concentration — it is necessary to phrase it in these terms without further equivocation — next, we are also calling for measures to regulate transfer prices in order to combat the practice of artificial price levels that are fixed arbitrarily to take advantage of tax provisions in this or that country — here again the Commission should really get down to dealing effectively with this problem of transfer prices — and of course, more generally, we are asking for the monitoring of multinational activities, about which other speakers will have something to say in a moment.

Finally, and this to us is a point of the greatest importance, we express the hope that workers' representatives and the trade union organizations will be more closely involved in the work on competition policy to

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ensure that greater consideration is given to their legitimate interests. We should also like to see a strengthening of the position of small and medium-sized enterprises, which are at a disadvantage in so many ways compared to the larger undertakings, which is unfortunate because not only are we dealing with enterprises at the human level but, more to the point, with enterprises that can make a particularly useful contribution to solving the unemployment problem. As we know, the Commission has in the past introduced various measures to encourage cooperation between small and medium-sized enterprises but it seems to us that they have fallen short. Perhaps we should be thinking along the lines of the Small Business Administration, which enables the United States Federal Government to give active support to these small and medium-sized enterprises through loans, interest rebates, technological aid, and so on. Let me just add, and then I shall have done, that the second amendment we have tabled concerns paragraph 8 of Mr Damseaux's motion for a resolution, which relates to the air transport sector. Like the rapporteur, I hope to see an improvement in the at present unsatisfactory conditions of competition in this sector with independent airline operators being allowed a greater share of the market. The intention here is of course to reduce fares and bring air transport within the reach of the masses. However, I should prefer to avoid drifting into a situation of completely free, unbridled competition, which could seriously endanger the safety and quality of the services offered and threaten the continued existence of certain marginally profitable routes serving outlying regions. I hope therefore that the implementing regulation mentioned in paragraph 8 of Mr Damseaux's motion for a resolution will be based on a measured and balanced conception of the application of the rules of competition in the air transport sector, taking into account not just the economic but also the social and regional imperatives associated with this sector, as I have no doubt the Transport Committee will do in the special report it is drawing up on the subject.

President. — I call Mr de Ferranti.

Mr De Ferranti. — Mr President, I too join other colleagues who very warmly welcomed Mr Damseaux's fine work in this most important area of Community achievement. I would particularly like to thank him for paragraph 12, laying stress on the importance of public purchasing policies. The vast area of public purchasing has really not yet entered into the Common Market. The two directives make an important start, and I hope the Commission will maintain its efforts and be fully backed by this Parliament in that area.

I think it is also clear that the rather restrictive nature of the Commission's original draft proposal exempting categories of patent licensing arrangements is of very great concern to European industry. We share that

concern, and not only do I support Mr Damseaux's contention that the redrafted regulation should be sent to this Parliament, but I should also like to see the Committee on Economic and Monetary Affairs have a hearing on this important subject.

However, the most urgent consideration that I would like this House to give at the moment follows from the fact that the working party on technical barriers to trade, which the Committee on Economic and Monetary Affairs has recently set up, was established after Mr Damseaux wrote his report. Mr Damseaux and the House will be aware that the interest of the previous Parliament in using Article 155 to speed up work on technical barriers has never really found favour with the Council itself, and I am speaking now with regard to paragraph 11 on page 7 of Mr Damseaux's report.

The reason why the Article 155 procedure, which is very desirable in its objective, never found favour with the Council, one presumes, is because in the detail of technical barrier directives there can be issues which are, in fact, political in nature. Parliaments very easily look at all the directives on technical barriers to trade and dismiss them as being technical, but one can find within the details of those technicalities an issue which is very, very political indeed. In my view therefore we should face the fact that Member States do have a legitimate concern in ensuring that unacceptable standards contained in these details are not imposed on them.

In the short term, Mr President, I would very much like to wait to see whether the increased interest of this Parliament in technical barriers work, expressed as I have mentioned in the appointment of a working party on the subject by the Committee on Economic and Monetary Affairs, can come up with an improved and more rapid procedure which is acceptable both to the Parliament and the Council. Let us, of course, keep stressing that we want an improved procedure, but let us see if we can find one that is acceptable to the Council before we keep battering at them with a proposal that is likely to be unacceptable. It does seem right for me, as the chairman of this working party, not to accept this radical but presently unacceptable procedure before the working party has had an opportunity to form a view.

I would therefore ask the House to replace this paragraph 11. It affirms our intention to do all we can to make progress, but we should not make a demand that is unlikely to be met until the working party has had more experience of the work. Perhaps it would be possible for me to get together with the rapporteur to find a more acceptable form of words than mine, but the ones that I have proposed indicate; anyway, my intention.

I very much hope that the rapporteur and the House will be able to meet this request.

President. — I call Mr Turner.

Mr Turner. — Mr President, I should like to speak about paragraph 7 of the report and I very much congratulate Mr Damseaux on this paragraph, particularly on his request that the draft regulation on exemption for patent licences should be sent to the European Parliament. The fact is that the Commission has for many years been negotiating with industry on this and has totally failed to give confidence to anybody in industry regarding the content of this draft exemption for patent licences.

I know only of dissatisfaction and frustration in industry and I believe myself that the people responsible, in Directorate-General IV of the Commission have been obtuse and too academic in their approach. I wonder whether it is accidental or whether it is because they consider that their attitude to the law is more important than the realities of industry. Now, I also agree with Mr Damseaux when he says that this has been in progress for several years, except I would not use the word 'progress', I would say 'has lacked progress for many years'. I do not think that consultation between the Commission and industry is going to work in this particular sphere and I believe this Parliament has got a role to play. I think we can provide the consultation which the Commission has failed to achieve.

They have had many colloquiums and many meetings but they, as I say, have got nowhere. If we take this up in the Committee on Economic and Monetary Affairs — and I hope in the Committee on Legal Affairs as well — we can ourselves talk with all sides of industry in all the nine countries, find out what they really want and come to some sensible conclusion. I believe that if we are given the chance to do this, and I hope the Commission will give us the chance, we can solve a problem which they have signally failed to solve themselves.

President. — I call Mr Vouel.

Mr Vouel, Member of the Commission. — (F) Mr President, in view of Parliament's heavy workload and the limited time it can devote to the various items on today's agenda I shall try to be as brief as possible and concentrate on the essential points that have come in this debate.

I may say, therefore, that the thinking behind our competition policy, as reflected in the Eighth Report dealing with our activities in 1978, remains the same today. Unfortunately, the economic climate in which we have been working has not changed either since that time. The role assigned to competition policy as an instrument designed, in conjunction with other policies, to achieve the objectives set by the Treaty — in particular, those of progressive and balanced expansion

and of greater stability — remains an especially difficult one to fulfil.

However, in spite of the reduced economic activity and structural changes and all the problems associated with them, such as unemployment, unused industrial capacity, inflation and so on, I remain convinced — and I believe this conviction is shared by most of you — that it is on the principles of a market economy that the policies conducted by the Commission must continue to be based.

With the integration of the Community into the world economy we are in any case left with no other alternative. The Community is committed to play its part in an open economy. To succeed we have to produce, we have to sell and we have to compete at international level. The very survival and prosperity of our Community therefore depend on our ability to compete.

To avoid any misunderstanding, let me say immediately that I am not one of those who elevate competition to the level of a dogma. I am not an adherent of the outmoded doctrine of simple *laissez-faire*, which would let market forces alone resolve the problems of economic adjustment through certain automatic and inexorable processes. That would be the negation of any genuine competition policy.

I ought to add that, while a genuine competition policy can contribute significantly to economic efficiency, it is not capable by itself of resolving the economic and social problems of our time: It must be backed up by other policies, in particular regional, social and industrial policies. Needless to say these policies must be coordinated.

In this context, I would not quarrel with the statements made by a number of speakers, in particular by the chairman of your Committee on Economic and Monetary Affairs. I merely wish to add that, whatever form this coordination may take, the ability of our economy to compete must be safeguarded and for that it is crucial that fair rules of competition be applied and observed.

And so, while for essential restructuring purposes the Commission may accept agreements for a concerted reduction of capacity, it could not go so far as to tolerate putting an end to all competition in a given sector.

After these brief observations of a general nature I should like to take this opportunity, Mr President, to offer my sincere thanks to your Committee on Economic and Monetary Affairs and especially to its chairman, Mr Delors, and its rapporteur, Mr Damseaux, for the positive and constructive attitude they invariably displayed in the preliminary discussions prior to the drafting and adoption of this text by the committee. I must also thank all those who have, in the course of today's debate, not only underlined the

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vital importance of competition policy but also, by their approval of the Commission's conduct of the policy and by their constructive criticisms of it, given it a support that is particularly valuable at the present time.

A few of the points in your motion for a resolution, to which several speakers have already referred, have to do with matters that, strictly speaking, fall outside the scope of the rules of competition, as seen in terms of the Treaties and as described in our Eighth Report on Competition Policy.

I refer specifically to such matters as the harmonization of national legislation in various fields, like public supply contracts, taxation, elimination of technical and administrative barriers to trade, or measures to be taken in relation to multinational companies and especially in connection with the fight against tax evasion.

Undoubtedly these are matters that have a significant bearing on the conditions of competition within the Community and it is natural that in the motion before us renewed emphasis should be placed on the instrumental role they play in the smooth working of the Community economy and in the pursuit of industrial, fiscal and various other policies in that connection. The Commission will certainly give due weight to the remarks expressed on these matters.

For my part, I shall confine myself to making a few observations on some of the more important points raised during the debates, in your motion for a resolution and in the amendments that have been tabled.

I should like first of all to refer to paragraph 7 of the motion for a resolution, which deals with the rules of competition to be applied to patent licensing agreements. The draft regulation drawn up by the Commission, by making a distinction between clauses that are admissible and those that cannot be admitted without a case-by-case investigation, does offer enterprises the legal security that they quite rightly expect. To give you a little background, the draft attempts to reconcile, on the one hand, our need to protect market unity from being undermined by the walling off of the national markets and, on the other, our concern not to discourage the capacity for innovation and the transfer of technology by calling into question the protective measures to which industrial property is justly entitled.

I genuinely believe that our draft strikes a fair balance between these two fundamental objectives and may I make the point here that this achievement cannot be judged solely on the basis of whether it happens to coincide with the wishes of industry or not. Apart from which, opinions on the merits of the draft regulation vary a lot more widely than one might have been led to believe. There are many enterprises whose licensing practice already reflects the Commission's recommendations and that have spoken out in favour of the draft regulation.

Besides, there is ample evidence to show that the Commission has been at least equally concerned not to discourage transfers of technology and to provide adequate protection to small and medium-sized enterprises. It is precisely with the aim of ensuring that transfers of technology are not subjected to excessively restrictive provisions that the Commission is refusing to allow clauses in licensing agreements that would permit enterprises to retain complete control over the technology transferred. In order to protect small and medium-sized enterprises the Commission is prepared to accept clauses prohibiting exports to territories in which they hold a concession.

In any event, as I have already indicated, I am at the disposal of your Committee on Economic and Monetary Affairs to discuss the principal points in our final draft regulation before it is adopted by the Commission.

In paragraph 9 of your motion for a resolution you criticize the Commission, as did several speakers, for failing to take any initiative to remedy the gaps and contradictions in national legislation on competition. I believe that one should not overestimate the real impact of contradictions in national legislation on the effectiveness of competition in the Community.

In fact, the Commission has so far been unable to find any evidence to show that national legislation has any prejudicial effects on the development of trade within the Common Market. National laws apply only in cases of agreement or abuse that have no impact on intra-Community trade. As soon as such trade is affected, Community law on competition takes precedence over national law and the Commission ensures that this law is applied fully and uniformly throughout the Community, regardless of the internal legislation of the various member countries.

It is worth adding that we are in fact seeing a constant evolution of national legislation in this field, progressively reinforcing and harmonizing with Community rules.

I come now to paragraph 20 of your motion for a resolution, which suggests that the Community's competition policy runs the risk of losing much of its credibility and effectiveness if its enforcement is slowed down by length and cumbersome procedures. I believe however that, generally speaking, the present procedure, which was laid down by Council Regulation 1762 ensures a balance between, on the one hand, the right of defence which, as the Court of Justice reiterated recently, is one of the fundamental principles of Community law, and, on the other, the need to put a stop to infringements of rules on competition as quickly as possible.

With regard to the proposal made this morning for a separation between the power to establish the facts and the power to bring in a legal assessment in respect

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of such facts, I have to say that this would seem to be impossible without a change in the institutional and Community system. Decisions in the first instance relating to competition are taken by the Commission within an administrative procedure under the supervision of the Court of Justice, which concerns itself with the relevance of the alleged facts, with the procedure followed by the Commission and with the interpretation of the rules on competition. The right to a defence is protected throughout this administrative procedure. Before taking a negative decision, the Commission notifies the enterprise concerned of its objections and arranges a hearing to be held on them.

Likewise, before authorizing an agreement the Commission publishes its intention, in order to allow interested third parties to express their opinion. Gradually, as a complete case law emerges from the Commission's rulings and from the judgments of the Court of Justice, the Commission is able in more and more cases to persuade enterprises to adjust their agreements and their attitude to the rules on competition voluntarily, without always having to resort to formal rulings. Several hundred cases are settled in this way each year, particularly on the basis of exempting regulations and communications of general scope adopted by the Commission.

A recent judgment of the Court of Justice has opened up new possibilities for improving the effectiveness of our procedures. What this judgment does in fact is give the Commission the right in certain cases to take interim measures having immediate effect which should make it possible to order the instant cessation of any practices that constitute a particularly serious violation of the rules on competition. We are at the moment studying the details relating to the implementation of this new option.

As far as our aid policy is concerned I should like to begin by expressing my appreciation to Parliament and in particular to your Committee on Economic and Monetary Affairs for the constant support you have always given the Commission in its application of the Treaty rules relating to state aid.

The title given by Mr Damseaux to the section of his report dealing with this matter is significant in this respect. As I have already said, the Commission is deeply aware of the problems associated with the adjustment of Community industrial structures to changes in the world economic climate.

We are particularly conscious of the effect such changes have in the social sphere, by which I mean their effect on employment. We are in fact constantly faced with having to strike a balance between the need to take the most effective possible action in relation to restructuring and the need to find a quick solution to the unemployment problem. We are convinced that the most effective way to cure unemployment in the longer term is to encourage our industries to adjust to

the new market conditions. Moreover, we take a very favourable view of employment aid projects that make a positive contribution to growth and lead to the creation of new jobs or that lead to the employment of particularly disadvantaged categories, like young people, the long-term unemployed and those needing supplementary training.

Mr President, I should like now to report on the progress we have made in the areas to which you have made special reference.

As regards regional aid, the new coordination principles described in our Eighth Report are now in force. These are allowing us to place a greater emphasis on the job-creating aspects of regional aid.

As regards sectoral aid, I am happy to say that we have attained the objectives indicated by your rapporteur. In point of fact, after receiving the Council's favourable and unanimous opinion, the decision establishing rules for aid in favour of the iron and steel industry was adopted by the Commission and is now being implemented.

Similarly, as regards general aid, we are exercising the control and have adopted the approach you recommend. I should perhaps add in this context that the Commission's approach in evaluating aid schemes, particularly in evaluating individual cases that have to be notified to us in advance, has always been perfectly clear and has never altered.

The Commission's task is to determine the extent to which problems the aid is intended to resolve contain elements of common interest which would justify aid.

Coming now to the problem of the control of concentration, I believe that this is one area where the Commission has succeeded over the past few years — in the tobacco sector as well — in exercising adequate control in the really essential matter of free import and export of Community products. With the exception of certain aspects, for example distribution at retail level, these questions no longer present any great problems.

Mr President, I should now like to say a few words on the subject of the amendments that have been tabled.

Amendment No 1, which calls for the regulation applying the rules on competition to air transport to be made fully consistent with the guidelines for a European air transport policy, is of course basically in line with the Commission's thinking. Whilst being anxious to draw up a procedural regulation in this area as quickly as possible, the Commission is also aware that the rules on competition must be applied with due discernment and by progressive stages.

As for Amendment No 2, I must point out that the Commission has been giving high priority to the pre-

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ventive control of concentration and has pressed the Council on numerous occasions to enact a regulation in this area. On the other hand, while the Commission attaches as much importance as Parliament to the problem of transfer prices and to the control of the activities of multinational companies, it is of the opinion that the ambitious objective of interfering in transfer prices cannot for the time being be achieved by controls. It would be preferable to make a start through increased cooperation and by organizing reciprocal arrangements between the tax authorities of the Member States. Moreover, the Commission is taking an active part in negotiations within the UN on the harmonization of accounting procedures. As regards the involvement of workers' representatives, mentioned in paragraph 22 c of Amendment No 2, I can assure you that they are consulted, together with other interested parties, on all draft regulations and directives drawn up in the area of competition. Workers' representatives also take an active part in developing competition policy within the Economic and Social Committee.

As far as Amendment No 3 is concerned, I have to tell you that I believe the present procedural rules, as laid down by Council regulation in 1962, are both fair and balanced, as I have already indicated a moment ago. On that basis I see no use for such an amendment, particularly since the Commission is always looking for ways to perfect the implementation of these rules.

As for Amendment No 4, while I see no problem with it I must say that the Commission continues to favour the idea of developing and extending a simplified procedure for eliminating technical, administrative and legislative barriers to trade, as suggested in the earlier paragraph 11 of your motion for a resolution. The Commission has therefore drawn up and submitted an initial proposal in this vein based on Article 155 of the EEC Treaty in the area of products for the construction industry. Further proposals of a similar nature will be drafted as required.

President. — We come now to the report by Mr Spinelli (Doc. 1-840/79).

I call Mr Spinelli.

Mr Spinelli, rapporteur. — (I) Mr President, on 16 October 1978 the Council adopted a decision empowering the Commission to contract loans of up to 1 000 million EUA, to be activated tranche by tranche in accordance with guidelines laid down by the Council and applied by the Commission.

For the benefit of those who were not members of the European Parliament at the time, I should like to recall that the decision was the subject of lively debate in the House, in the Committee on Economic and Monetary Affairs and the Committee on the Rules of Procedure and livened up relations with both Council

and Commission. Now that is over and done with and the decision approved, and I should like to congratulate my friend Vice-President François Ortoli, on my own behalf as well as that of the committee, on the determination he showed in following up the idea and putting it into effect. The Community has, as a result, been provided with an instrument which goes further than the ECSC or Euratom loans and, properly applied and developed, enables it to conduct a policy of loan-based intervention which can influence Community policy as a whole.

On 14 May 1979 the Council authorized an initial tranche of 500 million EUA to be opened and laid down the infrastructure and energy sectors as the Community's priorities. As in the case of the previous decisions, Parliament contributed to the preparation of this decision and, as important financial decisions were involved, availed itself of the conciliation procedure. Parliament would have liked the Commission to be given greater freedom of action, thus increasing the degree of supervision by Parliament which readily accepted activation by tranches but not the ponderous requirement of a fresh decision by the Council on each and every occasion. However, that is the procedure now applied and this is why we are faced with a decision regarding the implementation of a decision which has already been debated and was, as I said, the subject of considerable controversy.

In 1979 the Commission entered into commitments amounting to 277 million EUA and at the beginning of this year, other projects were in an advanced stage of preparation (and, I imagine, are in an even more advanced stage by now), with the result that commitments will soon reach a total of 498 million EUA, which means that almost the whole of the first tranche will be used up. The Commission is quite right, therefore, in asking now for a second tranche to be opened for another 500 million EUA. In doing so, it proposes that the new tranche should be applied for the same purposes, namely, infrastructures and energy. At the same time it is interesting to note that, as a result of experience gained and in view of the desirability of enlarging the scope of the new instrument, the Commission is formally seeking a more liberal interpretation of the concept of infrastructure, in the belief that these loans can also be used for on-lending funds for the execution of projects in priority regions and in areas hard-hit by the crisis, with special reference to urban renewal projects, particularly in connection with the financing of housing and advance factories.

These projects are to be submitted to the Commission by the national authorities as part of a better coordinated development of the regions in difficulty. We believe that this wider interpretation of 'infrastructures' is correct and accords with the efforts being made by Commission and Parliament to ensure that action by the Community is decreasingly identified with particular sectoral purposes, chosen almost at random, and is based on a wider perspective. A broader interpretation

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is consistent with an approach which Parliament can have no hesitation in approving and, on behalf of the Committee on Budgets, I ask the House to endorse both the general policy and the specific purpose recommended by the Commission since, in our view, the new Community instrument is essential for the further development of Community policy. In giving our approval, we shall at the same time reiterate certain conditions mentioned earlier, the first of which is Parliament's demand that all loans, including this one, shall be shown in the budget and, in consequence, submitted for approval under the budgetary procedure. This must be kept in mind because, in the context of adoption of the 1980 budget, the question remains open.

Furthermore, we ask the Commission to keep us properly informed about the operations undertaken under each tranche. Parliament made the Committee on Budgets responsible for monitoring the way in which the financial operations were carried out and, if this was not done, we ourselves are partly to blame, myself in particular. The reason is that, although I had not been formally entrusted with the task by Parliament, I was previously dealing with the matter on behalf of the Committee on Budgets. As you know, however, the committee was overwhelmed by other things which prevented it from dealing with this one. Nevertheless, we should lose no time in getting the required information by making careful inquiries with the help of Commissioner Ortoli.

Although the Commission refers to it in its document, I must reiterate our conviction that, as soon as the invested capital reaches the equivalent of 800 million and in any case not later than 16 October 1980, the Commission must submit a comprehensive appraisal with a view to making this new, almost experimental, Community investment instrument, the 'Ortoli Facility', a permanent feature of Community policy. We attach equal importance to being kept accurately informed about the new type of investment which the Commission wishes to embark upon and about participation in what are termed 'integrated operations'. As you know, Mr President, Parliament is very much in favour of these 'integrated operations' and supports the Commission in its initiative; we have not yet received any information on this aspect because no projects have been carried out. We are, therefore, still awaiting information on a subject which interests us in terms both of regional policy and policy on investments.

We should also like to have information on the number of cases where loans contracted under the facility have benefited from the rebate of interest granted to certain Member States under the European Monetary System. This will give us some idea of how the Community's various financial schemes are working.

Such are the reasons why the Committee on Budgets is asking Parliament to adopt the Commission's proposal. It trusts that the Council will take an early deci-

sion but, as the proposal has major financial implications, the committee gives notice that it will invoke the conciliation procedure if the Council is unable to accept Parliament's opinion in favour of the proposal.

President. — I call Mr Notenboom to speak on behalf of the Group the European People's Party (CD-Group).

Mr Notenboom. — (NL) Mr President, I shall need only a few minutes to say on behalf of the Group of the European People's Party that we agree wholeheartedly with what Mr Spinelli has said and to thank him for the great deal of work he has done for Parliament in this respect. We attach a great deal of importance to the European policy which it will be possible to pursue with these loans. This policy will not be one financed by appropriations distributed through the budget *à fonds perdu*. How much more can be achieved if money can also be borrowed for Community policy. I, of course, pay tribute to Mr Ortoli, after whom this facility has been named. The policy on borrowing is thus an important supplement to the policy which is pursued through the normal budget. We therefore endorse the motion for a resolution, but feel that, until loans are budgetized, it is not right that the Council should have to give its consent and take a decision on each and every tranche separately. A decision has been taken, on a proposal from the Commission and with Parliament's authorization, to raise loans totalling 1 000 m EUA. It should not then be necessary to go to the Council for every tranche. The Commission itself should be able to handle the matter, subject to Parliament's control. The rapporteur has already said this. I agree with him. I consider that to be a deficiency of the system as it is now operated. We very much hope that this system is on its way out and that it will soon be possible for loans to be included in the budget, as the Commission has for the second time proposed.

This was a breaking point last year when the budget was being fixed. I hope that we will soon be taking an important step forward during the consultations with the Council and that in future these loans will form part of the Community budget that is fixed by the Council and Parliament every year and implemented by the Commission.

That is the ideal, and it would be much fairer. We wanted to take this opportunity to emphasize that once again. We hope that the old system will soon no longer be needed and that we can pursue a far better policy with an annual loan budget as part of the general budget.

Finally, it seems to us right and proper that the borrowing instrument, the Ortoli facility, should be used as an integrated action, in other words, as a supplement to and in conjunction with the Guidance Section of the Agricultural Fund, the Social Fund, and above

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all, the Regional Fund, for the sake of better coordination and to make it possible for these European objectives to be achieved earlier than used to be the case with the aid of expenditure *à fonds perdu* on the one hand and loans on the other. That is what I wanted to say on behalf of my group. Mr Adonnino will be giving a few more details in a moment.

I wish Mr Ortoli every success with the implementation of this second tranche and hope that it will be possible for the Commission to give us somewhat more detailed information on specific activities than has been the case in the past. It is also to be hoped that a satisfactory division will be possible between the political responsibility of the Commission on the one hand and the executive responsibility of the European Investment Bank on the other.

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

Mr Flanagan. — Mr President, ladies and gentlemen, I am very glad that the Parliament has agreed to hold this joint debate today on economic matters which are, as Mr Notenboom said, of great importance to the future direction of the Community. I refer particularly, of course, to the proposal from the Commission to the Council for a decision authorizing the Commission to contract loans with a view to promoting investment in the Community. As Mr Notenboom said, this instrument, otherwise known as the Ortoli Facility, is an important institutional milestone for the Community.

In September of last year the first batch of loans was made available to Ireland, Italy and the United Kingdom. The aim is to help restore investment recovery in the Community. It is done by giving the Commission authority to borrow and then on-loan these funds for structural projects in the field of energy, industry and infrastructure. We are part of a Community in which certain basic infrastructural imbalances continue to exist in less developed regions. We regard this investment facility as a very valuable weapon with which to tackle some of these outstanding difficulties. It is also a way of combating the social evils of unemployment in our society. It is a valuable means of reducing the regional imbalances that are still so apparent in our Community.

My country, Ireland, has been making full use of this investment facility, and we hope to be in a position to carry out further investment projects when the Council implements the decision for a second time. I have no hesitation whatever in declaring my group's support for the continuation of this investment procedure.

As an example of what has been agreed upon as investment aid I would like to refer to recent projects in Ireland. The value of the loans for three of the projects accepted and signed for last September amounted to

£41½ million. In Dublin a loan worth £16½ million was established for major water and sewerage works. The national road network was provided with a loan of £13 million for badly needed road development. The final loan, equally badly needed, was for telephone development in different parts of Ireland. The value of this particular loan was £12 million. A further loan of £ 16.5 million will be used by the Irish Electricity Board to help finance the gas-fired power station in County Cork. This investment facility basically operates on a purely commercial basis. However, the Council agreed with the Irish point of view that the Ortoli Facility would not be sufficiently effective unless it included concessionary finance in the form of currency exchange risk cover and interest rate rebates for borrowers.

Investment must be looked on within the EEC as an important element in the creation of a more competitive community. The European Community must be capable of withstanding economic pressures from outside if it is to prosper in the international market. Investment in the more backward areas must be designed to help these regions create the basis for lasting growth. This in turn will lead to an improvement in living standards. The importance of this investment and its relationship to employment, either in creating it or in maintaining it, cannot be over-emphasized.

In conclusion, Mr President, it is appropriate that this investment procedure is due for decision at roughly the same time as the Council is due to make a decision on the non-quota section of the Regional Fund. Both decisions are vital to creating the conditions necessary for raising both the economic prosperity and the social welfare of the citizens of the underdeveloped regions of our Community. We must at all times, seek to establish not merely economic convergence but also, and perhaps more importantly, social convergence as well.

President. — I call Mr Taylor to speak on behalf of the European Democratic Groups.

Mr. J. M. Taylor. — Mr President, like the previous speaker I want to support the general purpose and intention of this proposal. In doing so I heartily endorse the sections of the papers which emphasize the need for budgetization of borrowing and lending operations. Can I say to other colleagues in the chamber that it is of course an obvious benefit of a Community lending policy that it can help things to happen which would not otherwise be attempted or achieved in the Community? May I be forgiven for saying that certain Member States of the Community have very special reasons for offering candidate programmes for assistance. Those Member States who score low in the number of programmes for their countries ought to be willing and encouraged to offer candidates in this way.

I note from the text that particular reference is made to energy, industry, infrastructure, transport and com-

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munications. And these of course are unselfish programmes so far as the recipient state is concerned, because although they help the recipient state they also help the other Member States of the Community who wish to trade more conveniently in the markets of the benefiting country. My own country is on the periphery of the Community, as is the country of the last speaker. In order to reduce our travel and trade journeys to the markets of Europe we need the best possible communications; in particular we need motorways to the ports, like the east coast trade route to Europe, which members of my country will be familiar with, linking the English Midlands to the haven ports and onwards to Rotterdam.

The only caveat I have, Mr President, in looking at this paper, is to wonder how far the Community ought properly to go in the fine detail of housing and advance factories, and I see that at the moment it only constitutes a Commission proposal. I think there should be a caution here, firstly as to the extent to which the Commission is in a position to monitor expenditure on housing improvements — that must be doubtful — and secondly, we must be careful not to intrude in detail into the workings not merely of Member States but also of local government entities, municipalities and regional councils within the Member States. Let us not go too far into the fine detail, but certainly urban renewal is to be welcomed in the older communities, in the urban conurbations. Anything that can be done to improve the fabric of the Community lifts the morale, aids trade and aids the welfare of the people. With those words I offer my group's welcome to these proposals.

IN THE CHAIR: MR JACQUET

*Vice-President*14. *Deadline for tabling Amendments*

President. — As the Provan Report (Doc. 1-10/80) on sheepmeat will not be put to the vote until this evening, I propose that the deadline for tabling amendments to this report be extended until tomorrow, 12 March, at 10 a.m.

Are there any objections?

That is agreed.

15. *Competition policy (continuation)*

President. — I call Mr Petronio.

Mr Petronio. — (I) Mr President, we too are in agreement with the report submitted on behalf of the Committee on Budgets on the subject of the policy providing for the contracting of new loans for promotion of investment in the Community. We should like to emphasize, however, that the work of the European Investment Bank is quite different from the Ortoli Facility. As far as we can see, the EIB has little to do in practice with small- and medium-size enterprises in the Community and, in doing its particular work, its main contact is with the Member States. As we see it, a clear distinction must be drawn between the New Community Instrument, otherwise known as the Ortoli Facility (new, that is, compared with the EIB) and the work of the EIB. This is not just on account of the 3 % interest allowance which the NCI grants but because it is necessarily involved with small- and medium-size firms and promotes their projects. The fact is that there are not many people either here or in Brussels who have ever heard of the Ortoli Facility. It is for Parliament to make sure that the thousands of small- and medium-size firms in the Community are aware that they can come up with something new and original in the field of energy, solar and other sources of energy, research, infrastructure, water transport etc. and get priority for it. We must make use of the experience and intelligence of the younger generation and the new generation of technicians instead of giving assistance exclusively to the mammoth states or to anything provided it is massive in scale. We must also start allowing young technicians to avail themselves of the input of the regions and intermediate credits.

Organizations must be told that projects can be put up for appropriate priority in the energy sector, housing, transport, infrastructures etc. They must know that they can submit them to a bank which allows for the risk involved. They must be told that the bank will then submit the project to the European Investment Bank, which will forward it under the Ortoli Facility to the Commission, and that the Commission will give its approval and grant a line of credit to small- and medium-size firms as readily as to the big state or public corporations which, all too frequently, do not implement a project but get entangled and bogged down in local regulations and proceed at a leisurely, bureaucratic pace. If this is done, it will encourage all who want to try something new and are determined to find an answer to their problems.

The Ortoli Facility should, in our view, represent this element of originality in the Community's credit and productivity policy. However that may be, we are in favour of this motion and of the second tranche. We hope that it will prove as fruitful as the previous one and act as a real stimulus for small-scale and medium-scale enterprise throughout the Community.

President — I call Mr Adonnino.

Mr Adonnino — (I) Mr President, when, for the promotion of investment projects, especially through the contracting and granting of loans, the new financial instrument was introduced in 1978, the European Community took a big step forward in increasing the number and scope of the intervention instruments at its disposal.

In 1978, provision was made for the contracting of loans not exceeding 1 000 million EUA, to be activated tranche by tranche. It was emphasized, especially during the conciliation procedure between Parliament and the Council that the arrangements were to be regarded as permanent but, in practice, the instrument was applied on what was more or less a trial-and-error basis. This is borne out by the fact that, by a specified date, or when the loans totalled 800 million EUA, the Commission had to report to Parliament and Parliament could have re-considered the whole scheme.

I think that, pending report and, possible, review, we have to say here and now that the instrument has worked extremely well and that it must not only continue to be used but also, perhaps, used more extensively. If, in passing, one might make a suggestion for the future, it might give added attraction to this kind of financing if the loans were to be accompanied by an exchange shortfall guarantee by individual governments granted, of course, in accordance with national law.

All these instruments undoubtedly help to strengthen the economic policies of the weaker and less advantaged countries and must be regarded as part of the general pattern of Community interventions and policies which are at the moment the subject of close study elsewhere; as stated in a recent Commission document on 'the convergence of economic policies and the budget', they are aspects of one and the same problem.

When, on 16 October 1978, the Council authorized these loans to be contracted subject, however, to a maximum of 500 million EUA for the first tranche, it very properly established two principles, which still hold good today and which, therefore, we must keep in mind when giving our opinion on the activation of the second tranche of loans. The first is that the measures involved must accord with the priority objectives of the Community and the second is that they must contribute to the growing convergence of the economic policies of the various States. The establishment of these two general principles was accompanied by the prescription that the measures were to be devoted exclusively to two classes of priority objective: energy and infrastructures.

Since the second tranche will amount to 500 million EUA, the Commission is, in proposing it, intending to use up the 1 000 million EUA available. A noteworthy feature of the second tranche is that it is not a mere repetition of the first. Apart from the fact that borrow-

ings are subject to the same qualifying conditions as those under the first tranche, the second provides for their application to new sectors in the field of infrastructures and the building of advance factories and accommodation. It is worth considering this new departure for a moment, since it is the distinguishing feature of the proposal before us.

The following are the reasons why the second tranche ought now to be authorized. As the Commission states, loans already made and others which are about to be made have almost exhausted the 500 million EUA of the first tranche, and, as reported, the first tranche produced satisfactory results in terms of regional development and, more particularly, in terms of the serious problems arising from the level of employment in many countries. It also contributed to the solution of a number of problems in the energy sector, as it did earlier in the case infrastructures.

Now we are faced with the question of an extension to housing and the building of advance factories. This is a very welcome development and the Commission is to be congratulated on proposing it. It does not invalidate the priority given to the energy and infrastructure sectors but it does give a clearer and firmer indication of the measures to be taken in the infrastructure sector, while underlining its priority.

Provision has rightly been made for the measures not to be applied indiscriminately but reserved for certain areas hard-hit by crisis. Thus, the measures contemplated accord with Parliament's insistence, which must be maintained, on the coordination of Community action in furtherance of general policies.

I refer to certain areas in many countries of the Community and some particularly disadvantaged areas in my own country, such as the *Mezzogiorno*. The task of levelling up those areas, in terms of economic return, makes it essential to establish new enterprises, create new jobs and open up new industrial outlets. But new industrial activity demands housing and the provision of housing is a long-term productivity investment which goes a long way to reduce regional disparities and to raise the level of employment in the areas concerned. The provision of housing will not affect the industrial competitiveness of the countries which benefit and there will be enormous advantages for the communities concerned. Moreover, it will reduce social friction in areas where shortage of accommodation produces frequently intolerable tensions, especially among the younger members of the working class.

I welcome the Commission's proposal for broader-based intervention provided, of course, that the projects involved form part of the integrated operations which, in turn, call for co-financing within the framework of the Regional Fund, the Social Fund and the EAGGF Guidance Section, which can make a joint contribution to the successful solution of these problems on a Community-wide basis. The Commission

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does not appear to have much experience so far of these integrated operations. The Ortoli Facility represents a splendid opportunity to adopt measures which will enable us to make more headway in achieving our common objectives

Therefore, I have no hesitation in saying that the provision of measures for building must receive the priority it deserves as a logical extension of the other measures which the New Community Instrument introduced for the first time.

In common with Mr Petronio, I should like to put in a plea for some way to be found of extending the benefit of these measures to small and medium-size firms; they are one of the mainstays of our countries' economies and, because they are so specialized, can make an enormous contribution to the revival and development of the less developed areas.

I should like to conclude by reiterating that the Council's decision in 1978 required that a report should be made to Parliament as soon as the loans amounted to 800 million EUA. I hope the report will be a detailed one, especially as regards information and statistics enabling us to assess the extent to which the instrument has proved its worth in terms of the objectives being pursued. Parliament does not always have sufficient information to go on when it takes decisions on the continuation, extension or adaptation of a measure.

The Commission has stated that the first tranche achieved its purpose. I agree and I believe that this will be even more true in the case of the second tranche. Nevertheless I repeat that the report must give the House full details; moreover, if I am not mistaken, it must be submitted no later than next November because, only if this is done, will it be possible for the new instrument to extend the range of the Community's intervention instruments.

On these grounds, I concur with the favourable view taken of the Commission's proposal and hope that it will be adopted by the House.

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, I must first thank Mr Spinelli and the committee for the work they have done, for the comments they have formulated on the basis of their study of our proposal and the favourable opinion of it they have put to Parliament. I particularly appreciate what Mr Spinelli had to say because it is really a policy that we wanted to initiate by using and developing existing Community instruments. It is a policy of investment, it is the answer to what we feel are some of the major problems standing in the way of the Community's development. It is a policy designed to improve the bal-

ance of the Community, because while we believe in strengthening Community structures — the adjustment that was mentioned earlier — we also believe in a better overall balance within the Community, which is one reason why we would like to turn our attention to those areas where, financially and economically, there is the greatest need for action of this sort. And, lastly, it is a new policy, because hitherto, as has been mentioned, we have been rather strictly limited in our funds and the scope of our action by what was made available to us through the budget and through subsidies. Let me say right away that we have every intention, when we present our second report, of proposing that such a policy should continue to be developed. However, that will be the subject of a separate debate at the proper time, either when the figure 800 million is reached, or when two years are up in November — anyway that is our intention. But before that we shall be giving you, as laid down in the 1978 text, the fullest possible information on the borrowing and lending operations during 1979. This detailed information will be coming in a few weeks — that is the first report I was referring to — but of course, in order to answer the questions put by Mr Spinelli and by several other speakers I shall be giving you some indicative figures, which will in any case to a large extent overlap with what has already been said.

In the first place, although it was instituted only a short time ago — remember that the Decision may date back to 1978, but the first tranche was not activated until May 1979, so we have only a few months' experience to go on — even so, it is undeniably true to say that our action answered a need. In all, 277 million in loans were signed in 1979. These loans triggered investments valued at 1 780 million, fully vindicating the importance of this new instrument as a stimulus to investment. This instrument finds application in a situation where investors have difficulty in mobilizing all the capital required for a given project, not only from their own resources but also from banking and finance organizations. There, as I say, we felt that our action met a real need.

These loans, which will very shortly reach a total of almost 500 million EUA — since there are still a number of applications under scrutiny on which decisions will be reached very soon — these loans have been used, in accordance with the priorities we laid down, in the proportion of 54 % to finance investment in the energy sector and 46 % for infrastructures. They have been divided between the United Kingdom, which has received 105 million EUA, Ireland, with 87 million and Italy with 85 million. In one case, in the United Kingdom, the loan was towards a hydroelectric power station, a dam and related work; in Ireland, a natural gas power station, water supply for Dublin, roads and telecommunications, in Italy, a hydroelectric power station, a geothermal power station, and the extension of an aqueduct for a major water supply project. I shall not of course go into the minutiae of all these operations. As I said before, I will provide you

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with all the necessary information in the report that we shall be submitting. I would add, however, that the bonds we have issued have been well received on the whole and have served to show that there are also some advantages to a policy of diversifying Community instruments.

The second question put by the rapporteur, Mr Spinelli, asked for more information regarding our intentions in the matter of urban renewal. Clearly, urban renewal is a very wide field and it could cover a great many things. Given that our main preoccupation lies in strengthening the structures within the Community, we are looking particularly at two aspects, namely housing and prefabricated factory buildings. In other words, in this initial stage of development — and I hope others will follow — of the New Community Instrument, we are seeking to make at least an initial response to problems that we consider are directly connected with the strengthening of economic structures. Mr Spinelli, you said earlier that the social aspect of this problem is particularly important and that is true. But important, not to say fundamental, as the social aspect is, more important still is the need to transform a region sufficiently for workers to live there normally and for satisfactory development to take place. Since, as far as we are concerned, we are entering an area in which we have not as yet had any experience, with prefabricated factories often giving rise to major pre-financing problems as you well know, we have asked that the projects we adopt should make an effective contribution in introducing new sectors of production or in increasing overall productivity on an economic level. We have also asked for there to be some measure of coordination or that something should be done in the context of the programme itself because that is where the fundamental idea is to be found for schemes to deal with economic and social problems — I shall have something to say about integrated operations in a moment — whether in a priority region or in a region particularly affected by restructuring and conversion problems. That would get us off the ground. I hope that the Council will accept the idea because we believe, and from experience we know there to be a need and it is natural for us to propose that this need be satisfied using Community funds.

I should like now to deal briefly with the subject of integrated operations. These operations will be developed by progressive stages. They are in fact the special responsibility of my colleague Mr Giolitti, who has asked me to tell you that he expects to have an opportunity in the near future to bring Parliament up to date on the operations in progress at the moment, through the medium of your Committee on Regional Policy and Transport. I believe, however, that I should use this debate to bring to your attention a number of points myself. Under normal circumstances the Commission's role in the management of the various financial instruments for which it is responsible is essentially confined to ensuring that projects submitted to it are consistent with the decisions that have been taken and

that the money is there. This is true of most of the operations proposed to us. We therefore do not always act as a prime mover, as a stimulus. However, we came to the conclusion, and I believe I have had occasion to say so myself — certainly Mr Giolitti has said it here — that there was a sufficiently wide range of Community financial resources for us to be able to try to go beyond this rather passive function of Community financial resources and our idea is that, in cases having a particularly high priority, the Community could play an additional role in drawing up programmes. Within the framework of these operations we can work together with many different prime contractors, like the state, the regions or local communities, and observe how not just the detail of the operation but also how a whole range of measures within a programme can serve to identify the true priorities and, I might add, mobilize the resources. In this way we can ensure that there is a workable programme and also good prospects of securing finance through an association, or through a consortium of agencies, including the Community, which, using their different resources, are going to assist each other in implementing the programme. This is a relatively simple idea but I think that if we tackle the problems where they are most acute or where we know there is something to be done — this is where planning is really valuable — we will find that in some cases there are bottlenecks or gaps or a lack of financial resources. I have told you our idea and I shall leave it at that because I am sure Mr Giolitti will go into it much more fully. And so this will help us to identify possible sources of finance, especially Community sources. This is an experiment that is being introduced gradually and that is why you have not heard much said about it. We are in the process of getting together with certain national and local authorities to see what kind of project we could support most effectively. We have one operation that is fairly advanced in the Naples region. An operation in the Belfast region is currently under discussion. Quite possibly other operations will follow in the United Kingdom. This is, as I say, an experimental phase but we are pushing ahead with it as actively as possible. But in every case, just as I said that the borrowing and lending policy had a certain significance that went beyond its purely financial aspect, so this desire for integrated operations is a way of mobilizing a set of resources more coherently and of offering, therefore, a more meaningful response to the problems with which we are confronted.

I shall reply very briefly to a question put by Mr Spinelli concerning cooperation with the European Investment Bank. This cooperation has proved to be excellent: We arrange the loans, we set the guidelines — that is we determine whether the projects submitted to us are actually eligible under Community policy — then the Bank arranges the terms of the loans and administers them. The points that had been discussed within the Committee on Budgets as well as within the Committee on Economic and Monetary Affairs, and finally here, concerning the possible difficulties of

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such a cooperation, the fears that had been expressed have, thank God, proved to be groundless. Quite the contrary, we have a very good working relationship with the European Investment Bank. Since we work in the same sectors we have, moreover, as you can imagine, entered into a number of joint financing arrangements, and we have also been called upon to grant interest rebates in a number of cases. Interest rebates, I should remind you, may be allowed on Community loans in the strictest sense — the New Community Instrument — as well as on loans from the Bank and since the latter has 22 years of experience behind it the volume involved is much larger than the NCI, which has only just come into existence.

For our part, we have granted rebates on a few of the loans already concluded. These represent 88 million EUA and the rebates covered 19 million. This is another point on which you can expect more information in the future.

Finally, I should like to touch upon the problem of budgetization, which I did not wish to dwell on since it has been covered by both Mr Spinelli and Mr Notenboom from a very specific aspect. We have defined our position, we have made a budgetization proposal and the matter is currently being discussed in the context of the debate on the budget. I have only one thing to add: I hope for my part that our proposals will be accepted and that the problem will thus be resolved.

In conclusion, another word of thanks and just a word to say that I am convinced that this experiment — which we have undertaken in spite of all opposition, doubt, scepticism and, from some quarters, even indifference — is one that is bound to be developed. I believe that the problems that we have before us, not only the enormous problem of adjustment and investment but also the problems of financial balance — for some countries this may mean a balance of payments problem and therefore of how to continue to finance development when faced at national level with the problem of a possible deficit — I believe all these problems, which it is not for me to go into now with the second tranche coming up, serve to bring out very clearly the complex yet complementary roles of the Community's various financial instruments in not only widening its scope for additional action but also providing a means of responding to specific problems and to priorities like energy, to the problem of improving the internal balance and to the general problem of how to achieve a return to growth without the constraints which weigh on us becoming too burdensome. This will happen gradually, but I am convinced that we are initiating a policy that will in time prove that there is at least some truth in what I have just been saying.

President. — We shall now consider the oral question with debate by Mr Lange and others (Doc. 1-808/79).

I call Mr Lange.

Mr Lange. — (D) Mr President, ladies and gentlemen, I will begin by making one point absolutely clear. The purpose of this question, tabled by the Socialist group, is not to initiate a debate on multinational companies and their activities but to have a discussion on what the Commission has done since 1977 in the area described in the resolution adopted by Parliament on 19 April 1977. The debate on the activities of the multinationals and what political controls over and above the Community's rules on competition and the anti-trust legislation of the United States should be imposed on them is taking place or will take place when the second report of the Committee on Economic and Monetary Affairs on this subject comes before the House. The Committee on Economic and Monetary Affairs will — I am told — continue to look at the matter, having been instructed so to do by the resolution adopted by Parliament on 19 April 1977. The Members of the directly elected Parliament must realize this, because some of them sometimes object to discussing these questions at all. Paragraph 5 reads: 'Instructs its Committee on Economic and Monetary Affairs to follow the development of these matters with a view to drawing up, where appropriate, a further report.' And now for the question to the Commission. The resolution adopted by Parliament in 1977 is in fact a continuation of an existing policy of this Parliament in this area, because that resolution referred to events in the years 1973 and 1974 in connection with industrial policy, the control of concentrations of undertakings, reports on competition policy and a communication from the Commission to the Council on multinational companies and Community legislation. We know that this is also the outcome of a debate which has been going on in public since the early 1970s and which has been intensified by the oil crisis and the conduct of the multinational oil companies. At the time we all agreed that in addition to what the OECD achieved in 1976 — the voluntary application of certain rules of conduct under the OECD code, which all its member countries, with the exception of Turkey, signed — we should explicitly call on the Council and Commission in paragraph 2 of our 1977 resolution to come to one or more international, legally binding agreements through negotiations with those concerned — that is governments, international organizations and companies. So the question the Commission will have to answer today is what it has done in this connection.

Then there is another paragraph which certainly requires an answer. We say in paragraph 4, and this was done — if I may put it this way — at the specific request of the Commission so that it might be better placed in any discussions it might have with the outside, that such international negotiations are likely to be successful only if appropriate measures are simultaneously taken in the Community. This Parliament called for appropriate measures in a report drawn up

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by Mr Lehnhardt, then a member of the Committee on Economic and Monetary Affairs, and adopted by Parliament on 12 December 1974. At that time we made various requests for internal arrangements which went beyond the rules on competition and created special forms of assistance in the field of mutual administrative assistance in the fiscal sector, as can be seen from the annex to the resolution of April 1977. I would incidentally recommend Members to study this part of the Official Journal of 16 May 1977, because I must add — this will demonstrate the particular urgency of this question to the Commission — that we worked out these things in collaboration, as it were, with our colleagues from the American Congress. At that time it was the delegations from the European Parliament and the American Congress which recognized the need for internationally binding arrangements in this field over and above the legislation of the American and European type to which I have referred, and this resulted in their submitting joint proposals

The European Parliament has the more simple means of issuing instructions to the Commission and Council in a resolution without resorting to a specific legislative procedure, and that is what has been done here. In addition, in the same year, 1977, we had our American colleagues table a bill in the American Congress; Mr Gibbons, co-author of our opinion, which is annexed to this motion for a resolution, was also involved in this. And so we European parliamentarians have a kind of obligation towards our American colleagues.

The Commission could surely have done rather more since 1977 than is apparently the case. Perhaps the Commission, in its endeavours to come to internationally binding agreements, has worked so quietly that its activities have gone unnoticed by the public. Nonetheless it would have been useful to be given some information on the questions or the instructions disguised as questions that I have recalled here today. I would be very sorry if the Commission had been somewhat hesitant in the meantime, because this Parliament would then have to resort to increased pressure on the Commission and Council again.

It is not for the Council to issue a mandate when it feels like it: it is for the Commission to seek a mandate when it receives appropriate instructions from Parliament to enter into negotiations on internationally binding agreements on the conduct of international companies. This must then be done in the areas referred to in the documents. In other words, the public must be informed, the general competition policy of the companies, investment policy and tax policy must be examined, the social policy and labour market policy, technology, the question of prohibitive or reprehensible political activities, in other words attempts by certain companies to bribe politicians, all this must be looked at. We do not know what attempts certain international companies have made to bribe politicians in certain countries as a means of getting the orders.

Now, some Members may feel that we have overlooked something here: the countries of the Third and Fourth Worlds, the economically weaker countries. Those who look more carefully at what we adopted here in 1977 and then at the annex to the resolution that was adopted will see that we have made no distinction between developing countries and industrialized countries, because the multinationals all have finances that put them in a far stronger position than even some relatively strong industrial countries. Thus, where the developing countries are concerned, account has been taken of them without reservation.

Another question concerns the action taken by the Commission in view of the particular need for certain types of conduct in respect of the countries of the Third and Fourth Worlds in connection with South Africa and the code of conduct for European Community companies.

This is not intended as an introduction to a debate on the multinationals and their conduct but as the introduction to an oral question with debate on what the Commission has done or not done with respect to the instructions it received in the resolution of 19 April 1977.

I should like to confine myself to these remarks. As the author of the question has an opportunity to speak again, if necessary, at the end of the debate, I shall take advantage of this right and take up the Commission's answer and perhaps also the comments of various Members who might try at this stage to conduct a debate along certain lines which we should not in fact have until the Committee on Economic and Monetary Affairs has submitted its other report, possibly after the summer recess.

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, may I first of all apologize on behalf of Mr Davignon, who was to have replied to Mr Lange and the other authors of the question but had to leave urgently for the United States to attend to some rather difficult problems. I am therefore standing in for him, although no doubt he could have performed the task far more ably than I can.

I propose, incidentally, to leave aside a particular, important, aspect of the problem that was raised in the preceding debate because certain specific points were brought up in the course of the debate on the report on competition about action within the Community but which one cannot avoid relating to the general question put by Mr Lange, for example the problem of the control of concentration.

The question is centred around the 1977 resolution, which covered two very important aspects. The first

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was the idea of international action, in which we should participate actively and in unison, seeking to ensure that international commitments went beyond simple declarations of intent. The second relates to the Community's own action, in other words, the manner in which it responds to the particular problems that concern it directly.

On the first point, I should mention that there have been two levels of discussion, one of which was within the OECD. This gave rise to long debates here on the code of conduct as laid down at the time, with an initial procedure for revision, which showed that the general guidelines set had been observed, that the way in which the code of conduct was operated was quite satisfactory and that a number of points had been clarified or altered, but which also showed that it was difficult to formulate effectively binding provisions at OECD level.

The second problem, concerning relations with the United Nations, has sparked off further and rather protracted debates perhaps because, as Mr Lange suggests, in the discussions inside the United Nations we have to reconcile the differing conceptions of the problem of the good conduct code not only of the industrialized countries but also of the other members of the United Nations, particularly the developing countries.

Personally, I hope that we shall eventually be able to reach a compromise on a code of conduct that embodies certain more rigid procedures or machinery than we have seen put into operation so far.

All this is a process that is still in the developmental stage and which has a bearing on, for example, accounting standards. We have been instructed by the Council to discuss and search for a stricter definition of the framework within which the code of conduct could be applied. However, as has been mentioned in various debates and as the question emphasizes, there is another step that can be taken by the Community — as I believe Mr Davignon would have mentioned here — through specific measures to develop European company law.

Basically what I am saying is that through a set of actions in this area we are bound to come across multinational groups or companies insofar as they are to be found on our own territory as European companies or as companies having a European operation. Clearly, the way in which we draw up European company law will not only have an impact, but should also ensure that we do not discriminate between our own companies and companies whose main centre of operations is outside the Community.

In this connection, while I was still President of the Commission we put forward a draft resolution the purpose of which was to provide a fairly broad framework within which we felt both Community action

and national action could be developed. The various principles outlined in the draft resolution were embodied in the OECD code in 1976 and in the revised version three years later, thus testifying to their validity.

The other aspect of the problem, that is the working out of specific measures in the context of a policy for framing European company law, has generated a great many proposals and resulted in a certain number of achievements. Particular stress has been laid in our proposals on the need for information, for transparency — on which point the Commission has made certain proposals and on which the Council has adopted a number of decisions — and also the social aspects, which have of course featured prominently in the views expressed both in Parliament and in the Commission. One directive, which has been in force since 1978, relates to the harmonization of accounts of companies with a share capital. It sets out the basis upon which industrial companies have to provide adequate information to all the parties concerned with the running of such companies.

Another directive relates to groups rather than to individual companies.

The seventh directive is in the final phase of discussion within the Council and I hope — although I can give no assurances since I cannot decide for the Council — that a conclusion will be reached on this point fairly soon.

Most importantly, we intend very shortly to propose a directive on groups relating not to the transparency of information I was speaking of earlier, but to their legal structures and to the relationship that exists between the various parties in the group, in particular parent companies and subsidiaries. There are also other directives that deal with the tax aspect, in particular a directive of September 1977 on reciprocal arrangements between authorities responsible for direct taxation, which has very recently been extended to cover value added tax.

In the social sphere, two directives were adopted in 1975 and have been enforced gradually: The first concerns collective dismissals, and the second the problem of acquired rights in cases of mergers. Another directive on the protection of workers in the event of bankruptcy was adopted in 1979 but still remains to be finalized because it is now necessary to draw up a list of exceptions, as provided for in the directive. As my colleague Mr Vredeling said in this House recently, we intend to submit a proposal for a directive on information for workers in multinational companies and groups.

And so we have a whole range of measures that are already either in the process of being introduced or under discussion, which shows that we have been making some progress. I say this in answer to Mr Lange, who is asking us to implement a number of measures, es-

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pecially in the areas of information and competition, which are obviously not always designed to apply specifically to multinational companies and can, if well thought out, provide the answer to a number of problems.

I am not suggesting that we should be happy with the fact that some directives have been waiting a long time to be adopted, but at the same time the record is not entirely bad. Some points are extremely complex. For example, the important directive on company law is under discussion by Parliament's Legal Affairs Committee and I hope we shall soon have an opportunity to debate it in this House. However, on the basis of the national experience of all our Member States, I believe it takes time to reach agreement on problems that touch on what is in effect a compendium of laws, some of which have their origins in tradition while others have resulted from a series of specific legal developments affecting companies.

Well, Mr President, we have at least tried to answer the questions put to us in 1977. We shall have an opportunity to give a more complete answer following the publication of the report which will be discussed, probably in the autumn if I am right, in a debate on the overall problem, which will be dealt with more exhaustively than we have been able to do in the course of this brief discussion. We have attempted to reply by looking at areas not only of international cooperation but also of Community cooperation, and by taking the more binding measures of the directive and the mechanisms that bind our nine states together in a concerted or identical action.

President. — I call Mr Beumer to speak on behalf of the group of the European People's Party (CD-group).

Mr Beumer. — (NL) Mr President, I agree with Mr Lange that there is little point in holding a comprehensive debate. We should be making the same mistake as with the debate on employment. It is better to let the committees prepare such debates as thoroughly as possible and only then to discuss the matter in detail.

According to the Commission's 1978 report the multinational undertakings are subject to general legislation in the areas of company law, worker participation, tax and labour legislation. If by this it means that no discrimination may be practised against multinational companies, we naturally agree wholeheartedly. The problem is that multinational companies carry on their business under the legislation of various countries.

I would point out, for example, that more than 50 % of all important raw materials is exported by a relatively small number of multinational companies. On the other hand, multinational companies are vulnera-

ble to some extent, which is evident, for example, from arrangements for the transfer of artificial profits, where dual taxation problems have also arisen. We must, of course, think about this too.

An arrangement has been introduced to allow relief from direct taxation, and I should like to ask the Commission whether the relevant directive is working satisfactorily.

As regards mass dismissals, I would ask how uniformly the various Member States are implementing the legislation.

A third point is that the Member States were to have had in 1979 a directive on the rights of workers when changing to other companies. Has this in fact been achieved in all the Member States?

A matter to which we attach considerable importance is company law, particularly with regard to large multinational companies. The problem here is that the legal relations between undertakings forming part of the same group but established in different countries are often inadequately codified.

Where there is a dominant undertaking within an international group, the result is frequently inadequate protection of workers' interests and also inadequate protection of shareholders, and we feel there is an urgent need for measures to ensure that the workers are represented in the managing bodies of the dominant undertaking.

We also feel that there would have been fewer problems at Philips if there had not been a breakdown in communication.

I also notice that the 1978 report, referring to the Community arrangement for mergers and also the tax situation of parent companies, states that partial problems of a technical nature are being dealt with, but that a number of political knots have still to be cut. I would like to ask what progress has been made here and what obstacles still stand in the way of a vigorous approach.

The 1978 explanatory memorandum states that there will be constant exchanges between national experts to encourage greater transparency. I should like to ask the Commissioner how this consultation is proceeding and whether it has contributed to a greater measure of transparency.

It seems important to us that more companies should take advantage of the greater economic room for manoeuvre that Europe offers. We also find that the Commission should map out the necessary conditions in this respect.

I would also say this in connection with a remark made by Mr Jenkins, who said how sensible it would

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be to have coordination with regard to microprocessors, for example. I should therefore like to ask, is your information on these planned investments and investment decisions sufficient to allow such coordination, since we are after all concerned with competitiveness and employment.

Multinational companies are, of course, very important for the developing countries. The International Labour Organization has just published a report which refers to a number of positive and also a number of negative effects. It says, for example, that the activities of the multinational companies have resulted in the creation of two million jobs, in generally higher wages and in better working conditions. But there are also disadvantages, for example, the restriction of competition from domestic companies the fact that the developing countries consider too large a proportion of profits is generally transferred to the country of the parent company, that there are frequent complaints of excessive use of the national and ecological infrastructure and also the fear of economic monostructures emerging. We therefore feel that there should be agreements which offer the developing countries in particular more advantages but also — and this is the other side of the coin — give the multinational companies greater security.

This gives rise to two questions: how effective, for example, is the Centre for Industrial Development set up under the Lomé Convention, and what success has the Commission had with its efforts, announced in 1978, to achieve greater involvement of Community policy and development cooperation, and what practical form does this success take?

My group has in the past expressed its doubts about the usefulness of voluntary codes of conduct. The problem has always been that, where observance of such codes is voluntary, their effectiveness is often determined by the undertakings and countries which observe them least and that their conduct is often regarded as representative of the companies and countries which adopt a more constructive approach. It therefore seems important to us that there should be more mandatory provisions in this respect, but as regards publication we must say that things are proceeding very slowly. We must point out that guidelines do not have the force of law, and we therefore feel that it is in the interests of shareholders, workers and creditors that greater legal security be created by much-needed provisions.

We notice that according to the Commission voluntary codes backed by political or other pressure must also produce results. We feel that this does not create enough legal security or in fact a proper atmosphere, both of which are needed in everyone's interests.

We have tabled a motion for a resolution to make this clear once again. We feel it is sensible to aim at agreements which follow on from Community decision-

making, resulting in greater legal security and a greater measure of mutual trust. Because without this, fruitful work is impossible.

President. — I call Mr Frischmann.

Mr Frischmann. — (*F*) Mr President, we ourselves should also like to draw attention to the many measures urgently required to curb the activities of the multinational companies. The list of their machinations is indeed a long one, starting with restructuring and closures of businesses that are deemed unprofitable or not profitable enough, going on to open currency speculation and ending up with barefaced interference, sometimes bloody, in the internal affairs of nations.

A long time has elapsed since the idea of a code of conduct, that is of 'good conduct', was first thought of and then appeared in the texts that have been mentioned, like that of the OECD, the joint declaration of the European Assembly and the United States Congress, and the resolution adopted by this very Assembly in April 1977. All of these texts deplored the lack of any internationally enforceable legal provisions to control the international economic activities of enterprises, essentially of multinationals and governments, and proposed certain measures that have just been mentioned. But in fact these were simply promises of measures to be introduced at some unspecified time in the future and at the same time a campaign was started to ensure that these measures would be neither compulsory nor binding on the big multinational corporations. In any event, up to now these texts have languished in the 'pending' tray.

All this leads one to suspect that the capitalist governments are supporting and protecting these corporations. These governments are therefore unwilling to lay down the law to the multinationals and it is they instead who are imposing their law and their will, taking advantage in so doing of their own omnipotence. Excluding for the moment the American giants and supergiants, it is a well known fact that the top fifty European companies, of which 18 are in Germany, 10 in France and 10 in the United Kingdom, have a turnover of 2 400 billion francs, which is six times the size of France's budget! They speak therefore with an awareness of their own absolute authority and the European Community, which was made to their specifications, can refuse them nothing. A case in point is that of Unilever, which has admitted to a turnover of 83 billion francs in 1979, equivalent to the Community budget. This colossal fortune was built up in part thanks to the Commission, which refuses to tax the vegetable fats that Unilever imports from the United States and which they use to manufacture margarine in competition with Community butter.

The example of lamb is equally illuminating. Seven British multinationals control the entire market, from

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sheep stations in New Zealand and Australia to depots in England. The proposed Community regulation of the market in lamb would work in their favour by opening up the Community market. This is just one example among many I could quote.

Furthermore, we believe it makes no sense to continue the pretence of fighting the multinationals while accepting or advocating the enlargement of the Community. This is exactly what they want, what they are pressing for, what they need to increase their power. There is no sense in fighting the multinationals as long as we accept Community plans for the restructuring or break-up of the iron and steel industry, of shipbuilding, of textiles and soon the motor industry and other sectors, with the hundreds of thousands of redundancies they are bound to entail and are indeed entailing already. Similarly, one cannot go along with the Commission, which is itself organizing the cartelization of industrial sectors in violation of the Treaty of Rome, which, in theory, condemns agreements. This is happening in iron and steel with Eurofer, in the motor industry, in synthetic fibres and recently in data processing.

All this shows very clearly that these multinationals are flagrantly violating the laws or other legal texts, or that they are twisting them to their own advantage, with the tacit approval of the governments or of the Community itself. There is therefore only one way of putting an end to their machinations. Only a determined stand by the people can beat them, as the socialist countries have shown and as we have seen over the last few decades in Cuba, Vietnam, Algeria and other countries; by that I mean a determined and united stand by the workers against all the anti-social aspirations of the parent companies or subsidiaries of the multinationals, a stand by the workers in every enterprise or group of enterprises, coordinated on a European or even a world scale. In recent years, a telling experiment has been attempted in all the enterprises belonging to one group. What is required is greater solidarity and more vigorous and concerted action to defend the rights of the working classes, which are being threatened by the multinationals. And this presupposes, indeed demands, concerted action by workers' organizations to the exclusion of any discrimination or exceptions of the kind that still afflict for example, the French CGT. We maintain it is high time that this kind of concerted and coordinated action developed in parallel with the struggle for a new international order and for advances in democracy that will open the way for socialism. Only then will the multinational companies be finally muzzled.

President. — I call Mr Seligman.

Mr Seligman. — Mr President, Mr Lange did not say anything that I can disagree with, except his rather sinister reference to South Africa. I should like him to explain this in his reply.

In this Parliament multinationals have come under constant attack from the left, and Mr Frischmann's violent attack is just another example of this nonsense. So I am taking this opportunity of a request for a debate to say that I challenge the view that Europe would benefit at all by increased government or Commission interference in international free enterprise which would make their operations much more difficult. Interference by what Mr Frischmann calls 'the people' would just make a complete mess of international industry, and I would resist that to the end. In a world that is constantly coming closer, modern communications are making it absolutely logical that multinationals should be the mainspring of future development and pioneers for the development of our standard of living. A worldwide market organization promotes maximum economy in manufacture and provides funds for research and development and for exploration of minerals and oil.

That does not mean that I support monopolies. Provided there is competition, multinationals are bound to be much more efficient than government controlled industrial or commercial monsters. Nationalized industries do not admit competition and are not answerable to shareholders. They are controlled by bureaucrats who are not putting their own money or the shareholders' money at risk and therefore have not got the same interest in success that free enterprise is bound to have. Any exploitation by commercial multinationals pales into insignificance when compared with government controlled airlines for example. It needs a Freddy Laker to expose that sort of exploitation.

Mr President, there has been an adverse reaction to the enormous profits of the international oil companies. These profits arise from the very abnormal rises in the price of oil since the Yom Kippur war in 1973. Despite these special circumstances, between 1966 and 1977 the profits of the 27 largest oil companies actually fell behind the rate of inflation. The need for capital investment was 85 % higher than the profits that were earned, and this was still the case three months ago. Exxon for instance spent a staggering 29 % more on exploration and 36 % more on new energy projects in 1979 than in the previous year. In the five years up to 1978 the profit margin of these 27 oil companies was never higher than 1.5 % of the retail price. Oil taxes on the other hand were four times higher than the total cost of production. It is very important to realise that governments spend very little of their oil tax revenues on investment in future energy supplies. The largest part of oil tax revenue goes to reduce general budget deficits, and that is a bottomless pit, as we all know.

So, Mr President, if we want the oil companies to provide the capital to make up the reduction in OPEC oil production which appears inevitable, and if we want to develop alternative energy sources like coal, nuclear and solar power, we must support a reasonable

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growth in the profits of the oil companies to generate the capital they require. Investment by oil multinationals in non-OPEC oil resources and in projects to improve the efficient production and conservation of energy will certainly stimulate economic growth, which is the thing we need more than anything else. So these multinationals do not want to be interfered with any more than they are present. They need all the support we can give them, and they certainly do not need any more Community interference than they suffer now. Particularly, they do not want constant taxation changes which makes it impossible to plan ahead their investment programmes.

President. — I call Mr Friedrich.

Mr Ingo Friedrich. — (D) Mr President, ladies and gentlemen, every era has its scapegoats — I often feel — and the multinational companies have today in many cases assumed the role of general scapegoats, behind which others can then hide, while those really responsible are no longer to be found. 'Multinational' is today almost a swearword, as we have seen from what Mr Frischmann has just said.

I should like to say, ladies and gentlemen, that international companies are neither evil personified nor public benefactors. In itself size is neutral in terms of value. Large companies are adapted to the interrelated and technologically, economically, legally and organizationally necessary circumstances of a modern world. There are, of course, examples of international companies taking liberties. There are, of course, examples of international companies sometimes not coming up to scratch as regards the required level of worker participation and involvement. But there are at least as many, in fact I would say far more, examples of international companies bringing benefits, for instance in the developing countries, for instance through the export of jobs to countries which would otherwise have no chance at all. For example, in my country jobs are safer in the large international companies than in others, they pay better wages and the social facilities are better than in many other companies. In short, we need in our European Community a sound mixed structure of small, medium-sized and large companies. Only a sound mixed structure of this kind will in the long term be flexible enough to ensure our economy makes progress. We must, of course, talk more about helping small undertakings. The large ones can usually look after themselves. But, ladies and gentlemen, we must not accuse the multinational companies when we have not yet laid down any rules which they must observe. It is for us politicians to make the rules to force the international companies into the role which is theirs. We do not have these rules at present. It is for us to provide them, not the multinational companies.

I will conclude by saying the following, to save time. Multinational companies are neither the monsters they

are frequently made out to be nor saints doing good deeds as they pass along. No, multinational companies are ordinary present-day phenomena adapted to the modern age. And we — together with the American Congress, together with the OECD, not just the Americans and ourselves — must create the forms and standards that dictate what role these multinationals are to play.

Our motion for a resolution takes account of this, and I therefore ask the House to approve this motion.

President. — I call Mr Lange.

Mr Lange. — (D) Ladies and gentlemen, Mr Ortoli, as I said at the beginning, all that matters is that the authors of the question should hear from the Commission what it has done or not done to implement the resolution of 19 April 1977. The same goes for you, Mr Friedrich, it goes for Mr Seligman and it goes to some extent for Mr Beumer. If you table a resolution on behalf of the Christian-Democratic Group, gentlemen, then we must discuss the matter first. We cannot simply table, out of the blue, a resolution that has not been properly discussed here. I would therefore ask you to withdraw this resolution and leave the matter open. That was the instruction in 1977. The Committee on Economic and Monetary Affairs will be submitting a further report.

But you must also beware of one thing — and this is intended for Mr Ingo Friedrich: you must not lump everything together and go on as if somebody here had attacked the multinationals as the work of the devil. Let me tell you this: as the then chairman of the Committee on Economic and Monetary Affairs I endeavoured to prevent ideological clashes over the Commission's communication on the multinationals and Community legislation and to have the subject discussed as objectively as possible, without any witch hunts. Our position is the same today. Your final comment did not therefore refer to the resolution but to what politicians are supposed to do, and there is, for example, still something missing from what the Commission should really have answered.

You say, Mr Seligman, that I made some sinister reference, but you are wrong. But I call on the members of the Group of the European People's Party to think about it and not to table the motion for a resolution. In any case, it has not yet been tabled, and I have not seen the text, whereas a resolution means that the matter must have been discussed, and we have not done that, nor do we want to do so now, because the debate on this subject will be taking place in the autumn when the report of the Committee on Economic and Monetary Affairs has appeared. Mr Beumer, you can raise all the issues you consider important during the discussions in the Committee on Economic and Monetary Affairs. I told you in private that I agree with you

Lange

entirely. We will come to an agreement far more quickly than you perhaps now think.

But another point is now at issue: for South Africa and the activities of undertakings of European origin in South Africa the Community has drawn up a code of conduct, Mr Seligman, and I was referring to that code, and you should know that code too. You should not say that somebody is making sinister references here. What I said was quite open and clear.

And now to the Commission. Mr Ortoli is undoubtedly right when he says not everything is negative. Where internal intentions are concerned, there are doubtless a number of positive elements, and I admit, Mr Ortoli, that you of the Commission and we of Parliament — even if we want to act together — are always dependent on a third party, the Council. That is quite clear. But the Commission must be a little more forceful, as we were in the early 1970s in connection with the structural policy. And another thing, Mr Ortoli, we referred in the resolution of 19 April 1977 to a resolution adopted by Parliament on 12 December 1974. That presumably is the very long resolution to which you referred just now. You did not, of course, take up a number of fundamental issues. I will not repeat these now. Your answer should really have dealt with such things as transfer prices, licence fees and so on, which were also discussed in connection with the competition report. I admit that, but these things should have been covered, and you must therefore see the resolution of 19 April 1977 in conjunction with the resolution of 12 December 1974. There are a few other things as well. I would, for example, ask what efforts the Commission has made to obtain more information on these companies' flows of currency, capital and liquid assets, although I am very willing to admit that the legislation as applicable to international companies cannot and must not be any different from that generally governing undertakings operating in the Community. So they are treated no differently. Nor are they given preference or discriminated against.

But one very important question that remained unanswered concerns the international sector. The reference to the OECD does not therefore help us at all. Nor does the reference to the UN. At the time we said very clearly, Mr Ortoli, that if internationally legally binding agreements were to be made, negotiations should first be conducted by the two parties, which already had appropriate legislation. The two parties were the European Community and the United States. You have not said a single word about this. We then said the other industrial countries should be involved, so that in their dealings with the Third and Fourth Worlds the industrial countries might show that in certain circumstances they are willing to accept controlled activities and to prevent lack of restraint. We are all aware of the inconsiderate business practices of certain undertakings, and we do not need to discuss them here, but we should not simply minimize them either.

I should like to make it clear once again what the intention was and is. This is one of the recitals from the resolution of 19 April 1977:

'Having regard to the fact that international undertakings have a beneficial effect on productivity, technology management methods while, on the other hand, there are no international legal regulations to solve the problems caused by their size, massive liquid resources and centralization of economic power.

That is precisely the point. What international action has the Commission taken in this direction? You did not say a word about this, Mr Ortoli.

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr President, Mr Lange was absolutely right in saying that a debate on this matter could go on virtually without end. It is a matter, moreover, that is already before a committee and will be analyzed in detail by that committee. Mr Lange's questions were of a general nature. I chose not to attempt to answer them because to do so would have required going over the whole problem from the start. However, I have tried to answer those of his questions that were of a very general character and related to a series of resolutions about which I could have spoken for an hour or more if I had gone into the details of every point. I do not think that would have been constructive.

We do not believe that there is often the possibility of bilateral action on matters that concern not only the industrialized countries but also the developing countries. One of the problems that you mentioned is precisely that. When we are trying to draw up a set of rules that are perhaps not absolutely binding but apply to a group of countries, including developing countries, it is very difficult to favour certain aspects of a bilateral action, which is not to say that it is always impossible.

Apart from that, Mr President, I should have had to reply to extremely detailed questions. I would ask Mr Beumer to allow me not to reply to the seven or eight questions he put to me now. We shall do so in committee. It is now exactly 7 o'clock and there is another debate to come. I shall of course be glad to provide answers to the questions that have been put.

President. — To conclude the debate on this oral question I have received from Mr Beumer and others, on behalf of the Group of the European People's Party (CD Group), a motion for a resolution with request for an early vote pursuant to Rule 47 (5) of the Rules of Procedure (Doc. 1-4-80).

I shall consult Parliament on this request at the beginning of tomorrow's sitting.

President

The motions for resolutions, together with the amendments which have been tabled, will be put to the vote tomorrow during voting time.

The debate is closed.

16. Urgent procedure

President. — I have received from Mr Rogers and others a motion for a resolution with request for urgent debate pursuant to Rule 14 of the Rules of Procedure on the steel industry in Wales (Doc. 1-8/80). The reasons supporting this request are set out in the document itself.

This request will be put to the vote at the beginning to tomorrow's sitting.

17. Agenda for next sitting

President. — The time fixed for closing the sitting has arrived.

The next sitting will be held tomorrow, Wednesday, 12 March 1980 at 9 a.m. and 3 p.m. with the following agenda:

- Decision on urgency of two motions for resolutions
- Decision on the request for an early vote on one motion for a resolution
- Motion for a resolution on a uniform European passport
- Motion for a resolution on the budgetization of the EDF
- Barbarella Report on agricultural structures policy
- 3 p.m.: votes
- 5.30 to 7 p.m.: Question Time (questions to the Council and Foreign Ministers)

The sitting is closed.

(The sitting was closed at 7 p.m.)

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IN THE CHAIR: MRS VEIL

President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

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

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

2. *Documents received*

President. — I have received the following documents:

- motion for a resolution (Doc. 1-1/80) by the Committee on Budgets on the budgetary timetable for the adoption of the 1980 budget;
- motion for a resolution (Doc. 1-3/80), tabled by Mr Coppieters pursuant to Rule 54 of the rules of Procedure, on amendments to the Rules of Procedure,

which has been referred to the Committee on the Rules of Procedure and Petitions.

3. *Decision on urgency*

President. — The first item on the agenda is the decision on the urgency of two motions for resolutions.

We shall consider first the *motion for a resolution (Doc. 1-2/80) by Mr Spinelli and others: Air links with the city of Strasbourg.*

I call Mr Spinelli.

Mr Spinelli. — *(I)* Madam President, I am asking that the request for urgent debate on this matter be adopted. I am not going to go into details but the fact is that we are reaching a literally intolerable situation as far as the Italian Members are concerned, and this is probably also true in the case of Members from other countries.

It is time that Parliament realized — and there will be no need for any lengthy debate — the circumstances

in which we are forced to come to work at Strasbourg, so that sufficient pressure can be exerted to ensure that one or two simple and feasible changes can be made as soon as possible.

I therefore ask Parliament to vote in favour of a short urgent debate.

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

Urgent procedure is adopted.

I propose that the motion for a resolution be placed on the agenda of the sitting of Friday, 14 March 1980.

Since there are no objections, that is agreed.

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President. — We shall now consider the *motion for a resolution (Doc. 1-8/80) by Mr Rogers and others: The steel industry in Wales.*

I call Mr Rogers.

Mr Rogers. — Madam President, I am sorry in one sense that this has to come up for the second time in two days, but I think the House will now be aware of the extreme urgency of this matter. The reason why it is being put forward for the second time is the very disturbing situation that became obvious in the House of Commons Select Committee for Welsh Affairs this week. The evidence given to this committee predicted that the number of unemployed in Wales may rise to as many as 125 000 following the projected steel and coal closures.

The Select Committee that considered this evidence is not a Socialist committee nor it is a Labour committee — the majority of the members come from the Conservative Party. They came to the conclusion that the £ 48m that were available to help South Wales in this enormously difficult problem was inadequate. So I would appeal to my Conservative colleagues in the House to support this request for urgent debate in the same way that their colleagues in the House of Commons have expressed their concern over the inadequacy of the help being offered. We South Welsh Members, Mr Griffiths, Mrs Clwyd and myself, and Miss Brookes, from North Wales, are enormously concerned that our country again may become a nation of gypsies — almost as it was 30 years ago — where people stumble from place to place looking for jobs and occupations. If the Parliament is to exert any moral influence or to offer any practical guidance to the Commission, then it should discuss this problem as a matter of urgency. So I would appeal to the House to allow it to be debated at this part-session.

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

The request is rejected.

Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the appropriate committee.

4. *Decision on a request for an early vote*

President. — The next item is the decision on the request for an early vote on the *motion for a resolution (Doc. 1-4/80) by Mr Beumer and others: Enterprises and governments in international economic activity.*

I call Mr Beumer.

Mr Beumer. — (NL) Madam President, on behalf of my group I said yesterday that we thought that Mr Lange's oral question with debate to the Commission on the progress as regards the multinational concerns was a good idea. We agreed with Mr Lange that it was better not to have a thoroughgoing debate but rather that the Commission should prepare something properly first. However, in order to highlight this oral question with debate we have tabled this motion so that the current feeling of the House can be expressed in general terms without adopting any final stance.

I think we should adopt the same approach for this oral question with debate, by which I mean that we need a provisional conclusion which will make some sense of this interim debate and which can also be useful to the Commission. Mr Lange spotlighted yesterday a number of procedural obstacles, since in his opinion this new motion undermines the resolution of 19 April 1977.

The reverse is true in my opinion. Paragraph 11 of our motion refers emphatically and without contradiction to the resolution of 19 April. It is our intention to let the 1977 resolution operate in its entirety and we have tabled an amendment to underline this quite clearly. Our motion requests Parliament to endorse what was decided earlier. The idea behind this motion is to give some meaning to the oral question with debate and to establish some clarity *vis-à-vis* the Commission, and also to make sure there is some continuity with earlier decision-making.

This is a straightforward motion in our view.

(Applause)

President. — I call Mr Lange.

Mr Lange. — (D) Madam President, Mr Beumer, ladies and gentlemen, we did not discuss the multinationals yesterday but simply considered what the Commission has done and not done in response to the House's resolution of 19 April 1977. It is therefore quite out of the question in my view that we should vote on a motion when there has not been enough discussion on its content. With all the will in the world — which Mr Beumer has shown with regard to confirming the House's stance of 19 April 1977 — a resolution like this can come only at the end of a report by the Committee on Economic and Monetary Affairs, so that we then have the opportunity as a Parliament to express once again our views on the multinationals and their activities. I strongly urge the mover of this motion to withdraw his request for an early vote and to agree to it that the motion, in accordance with Rule 25 of the Rules of Procedure, be referred to the Committee on Economic and Monetary Affairs so that in the end when we have the report we can put forward our views in a resolution. I think it is out of the question to have a vote today, because in fact there has been no debate on the matter.

(Applause)

President. — I call Mr Beumer.

Mr Beumer. — (NL) I thought I expressed myself clearly, Madam President. I think it is a good idea, and for Mr Lange, too, who has tabled an oral question with debate. We have had a thorough discussion here to sound Parliament on where it stands as regards this important matter at the moment. I really want to have this resolution.

President. — I put to the vote the request for an early vote.

The request is adopted.

The motion for a resolution will to be put to the vote at the next voting time.

5. *Uniform European passport*

President. — The next item is the motion for a resolution (Doc. 1-792/79), tabled by Mr Pedini and others on behalf of the group of the European People's Party (CD), on the introduction of a uniform European passport.

I call Mr Pedini.

Mr Pedini. — (I) Madam President, ladies and gentlemen, I have the honour to present, on behalf of the Christian Democratic Group, the motion for a resolu-

Pedini

tion on the introduction of a uniform European passport. I thank those Members who have supported this initiative, some of whom can claim to have been in on the start of this question, which was first brought up at the Paris Summit in 1972. For example, I note the presence of Mrs Focke, with whom those of us who were around in those days originally had the idea of this initiative. Mrs Focke herself will no doubt recall that, at the Paris Summit of 1972, chaired by Mr Pompidou, the Community took note for the first time at the highest political level of the fact that it was no longer possible to envisage its own development without defining the principle of European citizenship, i.e. without tangibly involving the citizens as such in European integration, both culturally and politically.

Soon after this initial consideration by Mr Pompidou, the idea of a uniform passport was formulated. The intervening years have all been punctuated by initiatives to further this plan and these initiatives were formally discussed at the 1973 and 1975 Summits, the latter of which indeed entrusted the Council with the task of drawing up the plan, so that a draft uniform passport was even prepared, leaving aside some technical problems to the solution of which the Commission made a full contribution.

Mr Tindemans, to whom I would like to pay special tribute and whom I am pleased to see here with us for this debate, is a witness both of the difficulties of our democracy and of the political commitment of the men who represent it. In his well-known report on the prospects for European political integration, he mentioned European citizenship as one of the aims to be achieved, and unification of passports as one of the ways of increasing the sense of European citizenship. There is no need for me to remind you, ladies and gentlemen, that the previous Parliament itself produced many initiatives and oral questions and two major resolutions on the subject, and that the Commission has always expressed its support for the idea, although obliged to confine itself to generalities, given that a constructive decision on the matter has not yet been taken by the Council.

Madam President, ladies and gentlemen, last year saw an event of great political importance which encourages and involves the citizens of Europe in Community integration — the direct election of our Parliament.

In our view, Madam President, the very fact that Parliament was elected by the peoples of Europe means that our request today for implementation of the plan for a uniform passport carries even more weight.

It would indeed be strange for us to have called upon the citizens of Europe to vote with what was essentially a common ballot paper — at least in spirit — and at the same time not to provide them with a document which, while safeguarding their national identity, for we are not trying to bypass the national authorities, af-

fords tangible evidence that they share a common destiny, as we say in our motion for a resolution, as well as a common responsibility towards the outside world, bearing in mind that the Community has also developed in recent years association links which are not exclusively commercial but essentially political and human.

We therefore think the time has come to ask the Council of Ministers and the Commission to take a formal decision. In the earlier resolutions and the Tindemans Report, the uniform passport was also seen as a way of facilitating the movement of persons within the Community and the gradual abolition of passport control at the internal frontiers of the Community.

Well, ladies and gentlemen, this morning we are fortunate to have as the Council representative on this subject Mr Zamberletti, Under-Secretary for Foreign Affairs in the Italian Government, who is not only a highly esteemed colleague of mine but also an expert to whom I pay particular tribute — on internal policy in our country. Some say that the establishment of a uniform passport would make frontier checks more difficult at a time when violence and problems of law and order — of which we are all well aware — call for vigilance, especially at the frontiers. In our motion for a resolution, — on the other hand even when speaking about a passport — we insist on the aspect of facilitating the free movement of persons across frontiers, and I am convinced that by making use of new technological advances, which Mr Simpson will perhaps be describing to us, by using a uniform document, easy to identify and to computerize it will still be possible, Mr Zamberletti — all things considered — to develop a document which will make passport control not only easy but particularly effective.

It seems to us therefore that, in the light of these circumstances, we would be justified in asking, with a sense of responsibility but resolutely, that the Council of Ministers and the Commission — insofar as it is up to the Commission — should at last take a decision before the end of this year. This is a hope which we express also in another, purely political, perspective.

Ladies and gentlemen, everything which is occurring today in the world and in our Community, the crisis which mankind is going through, shows that the mere setting up of the Community as an economic and trade community is quite inadequate to enable Europe to meet its responsibilities in the new society of today. Problems of human needs, of culture, of human relations and of the free movement of persons within the Community are therefore a vital and politically important subject.

Indeed, we must see the free movement of persons within the Community not as the movement of a factor of production, as a cursory reading of the Treaty might suggest. The movement of persons today means

Pedini

the movement of thoughts, the exchange of experiences, and the deepening of a mutual solidarity which remains the feeling and the value on which the Community must be built.

That is why we are concerned, Mr Zamberletti, at the delays which have so far prevented the launching of the uniform passport, because — as we know from long experience as ardent Europeans — it is frankly easier to reach agreement on agricultural prices, the steel industry, trade relations, and everything else that we have in common in the economic sphere, than to take even a small step forward — I say this as Chairman of the Committee on Cultural Affairs — in a sphere where rapprochement at the personal level can be an approach to the political unification which the great majority of this Parliament regards as our goal.

The crisis which we are now passing through — I repeat, Madam President — therefore leads us to call for a European passport, and not merely as a means of ensuring free movement of persons. I would like to add, Mr Zamberletti, that to this end Parliament should in the near future also examine progress in harmonizing professional and academic qualifications and the movement of workers within the Community, so that people may move about freely, to the benefit both of the economy and of civilization.

An elected Parliament which bears witness to the most fundamentally democratic act of the European peoples now asks calling for ballot-paper which led us all to desire European integration to be supplemented by a small document which would probably have enabled you, as Under-Secretary for the Interior, to control frontiers more effectively, but which would enable you, as a foreign policy official, our Community and our institutions to ensure that the eighties are the decade in which the Community at last regards human beings as its privileged citizens.

We hope that these proposals of ours will be unanimously accepted by Parliament, and we thank you in advance.

(Applause)

President. — I call Mr Zamberletti.

Mr Zamberletti, President-in-Office of the Council. — (I) Madam President, ladies and gentlemen, I would like first and foremost to thank Mr Pedini and his colleagues for having brought once more to the attention of Parliament a problem which the Italian Presidency takes very seriously, and with which this Parliament has concerned itself on a number of occasions.

I am indeed absolutely convinced — and the campaign for the direct elections to this Parliament confirmed

this once more — that European integration is not always adequately understood everywhere and that, quite apart from the considerable problems which this integration involves, there is a widely-felt need to make it increasingly popular through the use of tangible obvious symbols, if we wish to obtain the consent and the increasing participation of the general public in our enterprise. In other words, it is a question, as the motion for a resolution before you very rightly states, of 'affording the citizens of the Member States tangible evidence that they share a common destiny within a single Community and providing an outward sign of their solidarity'. This — no more, no less — is the significance of a uniform European passport.

You know that at the Paris Summit — as the rapporteur Mr Pedini has reminded us — the Heads of State and Government decided to set up a working party to study the possibility of establishing a passport union and, before that, a uniform passport. The work which began immediately afterwards quickly made it clear that there were two distinct questions involved.

The first concerned the abolition of passport control at the internal frontiers of the Community and harmonization of the conditions for entry and residence in the Member States. These were two ambitious aims, the attainment of which involved and still involves serious technical and political difficulties. Moreover, the development of the situation in the various Member States, and particularly the spread of terrorism, have made it seem unrealistic for the time being to think of abolishing passport control.

I thank Mr Pedini for dwelling on this extremely delicate aspect of the problem and for reminding me of the studies that have been carried out in our countries. In order to attain our aim we must provide all the guarantees necessary to ensure that this document does not make it impossible to carry out strict controls. Without, therefore, ruling out the possibility of achieving this aim in the long term, I must acknowledge that for the time being it does not seem possible to me to envisage practical progress in the short term.

The second question appeared easier in principle, since it concerned the establishment of a uniform European passport. It was clear that such a passport would continue to be issued by the Member States according to their own rules. It was simply a question of harmonizing its format so as to provide a uniform document for any citizen of the Community who might request one. It was therefore necessary to draw up a document to be used for controls both outside and inside the Community, but which would be a basic, common and uniform document.

Work on this matter has been continued at expert level, but it has not so far been possible to reach a positive outcome.

I know that there has been much ironic comment on the presumed inability of the Council to agree on mi-

Zamberletti

nor questions, such as that of the cover or the languages in which the passport should be drawn up. However, I think I am in a position to put the record straight. Most of the technical problems have been solved. Agreement has been reached on the format and layout of the document, the colour of the cover, the languages to be used for the information contained in the passport, and so on. Only a few minor questions remain to be solved, although in fact these are not the essential problems but rather the political difficulties and susceptibilities of various Member States, which we cannot ignore, — nor indeed do we ignore them on any of the occasions when they arise in Community activity.

I am convinced that if a positive political will could be developed in all the Member States, the remaining formal obstacles could be easily and rapidly overcome.

It is on the basis of this conviction that the Italian Presidency has decided to take action on this matter, and last week we resumed work on it in the Council. In all sincerity, I am not in a position to tell you today whether our efforts will be successful, and therefore whether it will be possible to reach a positive solution before the end of our Presidency. However, I can assure you that we shall not fail to make every effort to this end, convinced as we are that any step, however small, on the road to better understanding and appreciation of our common aims, represents a significant contribution to European integration.

(Applause)

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — *(I)* Madam President, ladies and gentlemen, on behalf of the Commission I wish to express our full agreement with the motion for a resolution tabled by the European People's Party on the introduction of a uniform European passport.

In his speech, Mr Pedini stressed the arguments in favour of this step, and its profound significance. We hope that this motion for a resolution will be adopted by Parliament by a large majority, or even unanimously, thus demonstrating that the Parliament of the peoples of Europe is particularly sensitive to this symbolic question of creating, in the form of a European passport, an important token of the citizen's membership of a Community.

We are prepared to provide every kind of technical and other assistance, and we hope that, once the difficulties are overcome, it will be possible to arrive as soon as possible at a political decision, which would also be extremely important in presenting the matter to the people of the European Community.

(Applause)

President. — I call Mr Pelikan to speak on behalf of the Socialist Group.

Mr Pelikan. — *(I)* Madam President, the Socialist Group has already in earlier debates come out in favour of the introduction of a uniform European passport, regarding it not only as a symbol but also as an important step in the process of European unification and towards implementing the civil rights of all citizens of the Community.

We do not want this passport to be presented to the public merely as a facade, to give an illusory impression of progress, instead of realizing all the hopes of European integration. On the contrary, we want the European passport to express a practical and developing reality. The citizen of Italy, Belgium, France, Britain or any other Community country must be able, thanks to this passport, increasingly to see himself as a citizen of the Community — which does not mean in any way denying his own national identity, as Mr Pedini pointed out.

In order to have a sense of belonging to the Community, he expects that the uniform European passport will enable him to travel even more freely in any country of the Community without superfluous and frequently humiliating controls at the frontiers of his own or another country.

I appreciate the obstacles of which Mr Zamberletti spoke, and I understand perfectly that there are problems with security and terrorism, but I do not think that the existence of a few dozen terrorists justifies subjecting millions of honest citizens to these controls, the efficiency of which in combating terrorism is open to considerable doubt. We now know that in this day and age spies, and even the majority of terrorists, travel on diplomatic passports, whereas the controls inconvenience the great majority of ordinary citizens.

In order to have a sense of belonging to the Community, the worker or the professional person, the young person or the pensioner, wishes to be able to take up residence, work and live in any country of the Community, without being subjected to various kinds of checks or to discrimination, which unfortunately still exist in many countries, and which, instead of disappearing, have even shown a tendency to increase in recent times. In order to feel really at home in any part of the Community, the citizen wishes to participate in the public and cultural life of the country in which he lives, and demands that his civil rights be respected and defended throughout the Community. Only in this way can a citizen convince himself that he belongs to a democratic European Community, and it is precisely in this spirit that the Socialist Group supports the motion for a resolution tabled by Mr Pedini and his colleagues on the introduction of a European passport.

Pelikan

I was pleased to learn from Mr Zamberletti, in his capacity as President-in-Office of the Council, that the Italian Government has expressed its intention to speed up the work of the relevant Council working party in order to put forward a practical proposal at one of the forthcoming meetings of the Council of Ministers, with the aim of achieving a practical solution by the end of the Italian Presidency, or at least by the end of this year. I hope that this initiative will have a more positive result than its predecessors. Mr Pedini, I did not take part in the earlier debates in this Parliament, before its election by direct universal suffrage, but I have studied the reports of its proceedings, and I was struck first and foremost by the ease with which decisions adopted as early as 1974-1975 by European Summits, and repeatedly confirmed by the Council of Ministers and by Parliament itself, are subsequently pigeon-holed and forgotten. Perhaps there would be no further discussion of them were it not for pressure by the European Parliament which, through the insistence of its Members — among whom the tireless Mr Berkhouwer deserves our gratitude — has constantly reminded the Council and Commission of the promise made to the European public.

Finally, Madam President, I would like to mention once more on this occasion that, although our Parliament is called 'European', we represent only a part of Europe. We must bear in mind that any resolution of ours can have, and indeed has, repercussions in that other part of Europe which does not belong to the Community. We must not forget that there are today other European countries where the possession of a passport is privilege which the State grants to its citizens or withholds from them on the basis of arbitrary decisions — countries where many citizens who express a wish to work abroad are punished by being deprived of their citizenship, as we can see from the newspapers. For this reason I hope that our decision on the European passport may serve as an example to these European countries and citizens outside the Community, that it will facilitate a similar development in these countries and initiate dialogue which may serve to strengthen the unity of our Europe. To this end, it is important that our decision be interpreted also as a practical contribution on our part to the implementation of the Final Act of the Helsinki Conference, which called for the free movement of persons and ideas across all the frontiers of our continent.

(Applause)

President. — I call Mr Habsburg to speak on behalf of the Group of the European People's Party (CD Group).

Mr Habsburg. — *(D)* Madam President, it is a good thing for our Parliament to be reminded every now and again what it really exists for. All too often it

seems that certain Members have forgotten that this is a European Parliament and not a wailing wall for the world's collective conscience. If you cast your minds back to the election campaign in the first half of last year, you will remember that we received a mandate from our people to give this Europe a viable political dimension at long last. Its economic institutions had so far operated more effectively than some people would have us believe. The Common Market is a successful institution, despite the fact that certain people are always harping on about minor aspects of what is in fact a great achievement. Anyone who knows anything about history, though, will realize that economic achievements have never formed the vanguard of any great march forward. Robert Schuman had no option but to give pride of place to the Coal and Steel Community, because at that time the scars of the Second World War were still too fresh for anyone to attempt political integration involving the enemy of all-too-recent memory. But Schuman and all the others who brought this great project to fruition — people like Adenauer and De Gasperi or, a little later, Walter Hallstein — hoped that the economic achievement would soon nurture the political will. On the other hand, that great realist, General De Gaulle, never tired of pointing out that a political breakthrough has never yet been achieved by a bureaucracy, and unfortunately the facts were to prove him right. That was why, after considerable initial success, the Common Market eventually reached a point where we had managed to overcome the past but had failed to take a decisive step into the future and give Europe an entirely new dimension. That was why the Common Market was in something akin to crisis before the direct elections to the European Parliament. And it was this crisis which, consciously or unconsciously, caused the Heads of Government to implement one of the provisions of the Treaty of Rome at long last and to clear the way for direct elections. Let us not forget that this was largely thanks to the efforts of the French President, Valéry Giscard d'Estaing. In this respect, then, a majority in this House was elected with a clear mandate, and the time has now come to put the terms of that mandate into practice. It is up to us to create a political Europe, the word 'political' meaning that it is high time the concept of Europe was brought closer to the people of Europe because — and let us be quite frank about this — Europe is nowadays all too often no more than a theoretical concept which practically everyone is in favour of but which fails to generate any real enthusiasm. It has rightly been said that the enthusiasm for Europe which was evident in the past has long since been laid to rest in the graveyard of Community statistics.

No-one is prepared to make a supreme effort for a mathematical formula or even for a higher standard of living; that is something people only do for something they believe in passionately. What we need is a sense of European patriotism — not something to replace one's loyalty to one's own homeland, but something which adds an entirely new dimension to this loyalty.

Habsburg

After all, no-one today can be a real patriot in Europe without being in favour of Europe as such, and it is now time to give some tangible expression to this sentiment. As the right kind of mental attitude is an essential precondition for the emergence of a genuine political will, it is up to us to set to work on this point without further ado. The time has now come — not least because the world situation has become extremely dangerous — to devote our attention above all to European affairs.

Resolutions on human rights in this and that country in South America or the Pacific, the problems facing Indians in the United States or Asian questions are undoubtedly justified so long as the facts are right. But we have on occasion become so preoccupied with these questions that we have almost sunk to the level of certain world organizations. That is not what we are really here for.

(Protests)

At a critical period in our history, Europe should be far and away our major concern, which means that we must give priority to our obligations vis-à-vis the Community, without of course forgetting the rights of all European peoples, including those who are still separated from us. These peoples have a right to self-determination. They have a right to freedom and liberty, and they are our responsibility, or at least we bear more responsibility for them than for peoples on the other side of the world. In other words, given the current dangerous situation, we have an obligation to do everything in our power and to act as quickly as possible within the given framework — and I should like to emphasize the fact that the present framework is not the definitive European framework — to make progress towards political unity.

In carrying out this policy, we must learn the lessons of the past. It is a serious mistake to try to run before you can walk. Success depends ultimately on creating the right conditions. You can't build a house from the roof down. In Schuman's time, therefore, it was perfectly reasonable to use the Coal and Steel Community as the first step towards a Common Market. The European Defence Community came to grief by disregarding this basic principle, and for the same reason the discussion about European federation or confederation was, to my mind, nothing more than academic. History teaches us that a federation always develops from a confederation which has proved its worth. That is the proper background to this discussion on the introduction of a uniform European passport.

At first sight, this whole question of the European passport seems trivial, and many may think it a matter of minor importance. But that is not the case. What this passport can do, and what we want it to do, is to bring it home every day to the people of Europe, at least within the Nine, that they are in fact Europeans. Another advantage of a European passport is that it

will show that there is no basic conflict between our own countries and Europe as a whole. Both are realities, and both will be needed in the future. Our Member States need Europe because the continental dimension is the only one in which we can exist successfully in this world. Europe, on the other hand, needs the Member States just as the first floor of a house needs its foundations. The Member States are the reality on which Europe is being built. Changes in this reality over a period of time are another matter entirely.

In this respect, therefore, the creation of a European passport is an essential first step which can be said *mutatis mutandis* to be psychologically equivalent in importance to a kind of small-scale Coal and Steel Community. We must view this European passport as a first step, but one which will not be enough in itself. It will have to be followed by a whole series of measures designed to bring this Europe of ours ever closer to its people.

I recall a representative of the Council saying quite rightly in the course of a discussion on a point raised by Mr Berkhouwer that the European passport issue was a measure of Europe's political resolve. The European Parliament now has the chance to demonstrate its political will. Let me say quite unequivocally that anyone who rejects the idea of the European passport will be showing himself to be an enemy of Europe. What we have here is a real moment of truth in which we must all stand up and be counted. It is a moment of truth also for the Commission and the Council. It is not the fault of the European Parliament that the introduction of a European passport has been delayed for so long. The blame rests entirely with the Council and possibly also with the Commission's lack of determination. We must now call on both these institutions to do their level best to ensure that we have a European passport by the end of 1980. We shall be judging the performances of the Council and the Commission over the coming months by their activities in this question. Minor obstacles — and the remaining obstacles are nothing short of grotesque — can be swept aside without any difficulty. We should refuse to accept them any longer as an excuse for the lack of political resolve, and this debate should show those responsible for this question that the patience of the people of Europe is not inexhaustible, and I would ask the representative of the Council, who had so much of value to say, to make this point to the Council on behalf of the European Parliament.

(Applause)

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

Mr Spencer. — Madam President, I shall not attempt to match the glory of the Italian language or the dignified passion of the House of Habsburg in welcoming

Spencer

these proposals, but I can welcome Mr Pedini's resolution.

The proposal to introduce a uniform European passport, a national passport marching under the burgundy colours of Europe, will not shake the world. It is a long way from the passport union, from the abolition of all internal frontier controls, that we were proposing in 1974. It does not affect the rights of citizenship and it does not change the issuing authority, but it is a small gesture of solidarity, of our determination to go forward together, despite little local difficulties over budgets and other matters.

But I rise really to bring the Council's attention to a new technological development, and I refer to the possibility being canvassed by the international civil aviation authority for machine-readable passports. This proposal will be launched formally in April of this year. It is hoped to phase out certain passport immigration officials, replacing them with machines. I have here a mock-up issued by my own Foreign Office in London, a machine-readable passport issued in the name of a Sir Walter Scott, himself a great figure who regrettably did not live long enough to be a Member of this Parliament, but who in his age would not have recognized the need for passports when travelling around European civilization. So a machine-readable passport offers the opportunity of rapid transit through the airports of Europe, an end to the queues that make our lives miserable at certain times. I should like to join in welcoming the work which Mr Tindemans has done on passport union, but it also occurs to me that he is about the only person in this Chamber who might be able to do something to reduce the passport queues at Brussels airport!

(Applause)

As the passport queues at Brussels airport are the only thing which in my mind militate against this Chamber sitting in Brussels, the sooner they are gone the better. So I welcome Mr Pedini's motion and hope he will join with me in urging the Council to incorporate the latest technology in whatever proposals there are to harmonize a uniform European passport.

President. — I call Mrs Baduel Glorioso.

Mrs Baduel Glorioso. — *(I)* Madam President, ladies and gentlemen, on behalf of the Italian Members of the Communist and Allies Group I would like to express our support for the motion for a resolution tabled by Mr Pedini and other Members of the Group of the European People's Party, which calls once more for the introduction of a European passport.

Undoubtedly, the delays and postponements which have taken place since 1974 reflect a certain reluctance — not to say procrastination — on the part of the very

institutions which had earlier decided to introduce a uniform passport for Community citizens. Such a passport would of course be a symbol, but it would also be a practical demonstration of European citizenship both inside and outside the Community. I had thought that the three unsolved problems mentioned in the Pedini motion and referred to by the Commission in the replies which it has given to oral questions in the European Parliament over the last few years — the languages and order of languages to be used, the order in which the phrase 'European Community' and the name of the Member State should appear on the passport cover, and above all the type of legal act to be used for introducing the passport, which would also be valid for third countries — were real problems. But the President-in-Office of the Council, Mr Zamberletti, has relieved me of this worry by saying that, if we are to have a European passport, we must above all overcome the political susceptibilities of the Member States. If this is the case, so much the better, and particularly because it seems to me that, of the three amendments to the Pedini motion tabled by Mr Coppieters, one is of special interest. I am in agreement with the text of that amendment, which reads considering that the introduction of a uniform European passport offers a unique opportunity for a Community oriented cultural and social policy, in particular to assist young people, migrant workers and all European citizens over the age of sixty; and in my view the significance of the passport — apart from its symbolic value — is already expressed in this amendment, which further clarifies an opinion which I am sure the rapporteur, Mr Pedini, shares.

If it were possible, I would ask precisely those who have held important government posts in the past — ex-Prime Ministers, etc. — why the Council of Ministers has so far not succeeded in getting this proposal off the ground. However, since the President-in-Office of the Council is present here — indeed I am standing right behind him — I support the proposal of the Italian Presidency and I hope that it will be more successful than its predecessors.

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

Mr Berkhouwer. — *(NL)* Madam President, I should like to present the views of my Group on this subject which has always been very dear to my heart. Ever since I have been a Member of the European Parliament, I have always advocated taking the kind of action that will give the ordinary people of Europe the feeling of belonging together and that they are what Europe is all about. I am very grateful to Mr Pelikan and Mr Habsburg for making the same point.

The point at issue is not who was the first to think of this idea. What really matters is that all too often, the people in Europe cannot see the European wood for

Berkhouwer

the bureaucratic trees. For the common people down below, what goes on in the rarified heights of politics — whether European or not — is shrouded in mist. Instead of a European symphony, all we get to hear is a sort of improvised jam session, with everyone playing his own part. There is certainly no lack of fine words. I am thinking in particular of the so-called citizens' Europe. Look at all that has been said and written about civil rights in Europe, meaning the rights that the people living in the European Community should be able to exercise as citizens of that Community.

Mr Spencer referred just now to Sir Walter Scott, who had no need of a passport in the age he lived in. Nor did Lord Byron, and we can go back even further in history. In the year 212 A.D., all the inhabitants of the Roman Empire under Caesar Caracalla were declared Roman Citizens. Whether they were proud of the fact or not, at least every person living in Europe at that time, from Scotland to Sicily and including — if you like — Flanders, the land of the Flemish lions I referred to earlier, could say: *civis romanus sum*. Just think how far removed we are from that state of affairs now after centuries of civil war in Europe! Incidentally, as I said before, up to the First World War, anyone could travel quite freely and without any documents or foreign exchange hassle from London to Amsterdam or Moscow and vice versa.

I forget how long we have had a so-called Customs Union for, but all the border crossings in our Community are still full of customs officials holding up the free movement of people and goods. It's not import duties any more, but VAT and monetary compensatory amounts, which the man-on-the-street knows nothing at all about. Another problem appears to be the fight against terrorism. Terrorism is rife. One of our members had an escape today. But how, for instance, is the problem of terrorism tackled in the United States? Do the Americans have customs officials to man the borders between all 50 States of the Union? It is now the spring of 1980. European Union should have been a reality by now; that at least was the important decision taken at the first European Council in Paris in December 1974. It would be worthwhile some time drawing up an inventory of all the decisions that have been taken by the European Councils in the meantime and what has become of those decisions. Perhaps I could pass on that suggestion to the Italian Presidency of the Council. The next meeting of the European Council on 31 March and 1 April would perhaps be a fine opportunity for the Italian President of the Council to have a list drawn up of all the decisions that have so far been taken by the European Councils and what has become of those decisions.

Before the European Council met in Paris in December last year, I had the privilege of talking to the President of the French Republic about what would be on the agenda for the meeting. I made the case for the creation of a simple document which would enable the

people of Europe to travel throughout the Community without let or hindrance. A simple, uniform European identity card, possibly incorporating modern technology in a way indicated by Mr Spencer just now. There are of course still any number of difficulties here. For instance, the Danes already have a passport union with the other Scandinavian countries, but that system could be linked to a European passport union. The real point is of course that we should have a simple document enabling us to move in and out of the Community and around the Community. Every person in Europe should have a standard identity card, call it what you will. I do not want to trot out all the old arguments again, but if the Italian Government is serious about this, the Italian Presidency should have this matter placed on the agenda for the next meeting of the European Council. When all is said and done, it was the European Council that decided that we should have this European document by 1978. I see some head-shaking going on now, but if the Italian President of the Council really wanted to, there is nothing to stop him having this matter placed on the agenda for the next European Council. I am pleased to see the Commission's representative nodding in agreement. The Council says no, the Commission says yes. A fine prospect that is! Let the Commission go beyond mere words and produce some suggestions, some models. Why doesn't the Commission get one of its thousands of officials to draft and design a European passport? Our governments are not making any progress.

And, what is more, if the Italian Government were to go ahead and place this matter on the agenda for the European Council, we should get to know which national governments are holding things up. I can assure the Italian President of the Council that my government is not one of them. The Netherlands will agree to a European passport scheme, and I assume that most of the other governments will go along with it too. But, as I said, if this point is raised at the European Council, we shall all know which country is the odd man out, and then we could even decide this summer not to visit whatever country is standing in the way of the free movement of people throughout Europe. That would be quite a neat gesture, a suitable reaction on the part of European people who would like to be able to move freely through Europe. Madam President, I just wanted to make a few practical suggestions to the Italian Presidency in line with the precept 'action, not words'.

President. — I call Mrs Hammerich.

Mrs Hammerich. — (DK) Madam President, I believe that everyone dreams of the day when we shall be able to travel freely over national frontiers throughout the world without having to undergo any kind of checks. I have asked to speak on this proposal on behalf of the Danish Anti-Marketeers because I get the impression that very few people in this House least of

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all the authors of the proposal, realize what this question of a common passport and passport union may mean in Denmark in the current situation. The system we have today is that people from the Scandinavian countries can travel to and from each other's country without having to show a passport. That is something we very much appreciate. It is a natural way of underlining the close, harmonious relations the people of Denmark enjoy with their fellow Scandinavians, a sentiment which is much stronger than anything we feel towards any other country anywhere in the world, although we of course also have feelings of friendship towards the peoples of the European Community.

I think there is likely to be a good deal of popular resistance in Denmark to anything remotely resembling a European Community passport union. There is very strong popular resistance to any idea of European union in Denmark, and a passport union is after all what this proposal is ultimately aiming at, although it may seem on the surface that we are just setting out to standardize passports. What we are discussing today is a fairly modest proposal concerned only with what the passport should look like, but this does not mean to say that it has no symbolic importance as regards our ultimate identity.

The proposal we have before us today is an attempt to create a kind of European Community identity by giving everyone a passport which is outwardly similar. It may seem a little odd or ridiculous on the surface, but it is both dangerous and wrong to try to impose this kind of thing artificially when people do not want any identity other than the one they already have. At least, that is what the overwhelming majority of Danes feel. As far as we are concerned, a uniform passport would not give us any new rights or liberties, as has been claimed here today. On the contrary, it would be regarded as a symbol of intolerable compulsion, deprivation of control over our own destiny and foreign rule.

Let me give you some idea of the lack of interest in Denmark in widening the Community's powers. In a recent survey, the Danes were asked who would now vote for membership of the European Community and who against. The outcome was that a mere 31 % of the Danish people would vote for membership of the Community, 39 % would vote against and 30 % did not know. Over 80 % were against European Union. Against this background, we Danish Anti-Marketeers have no alternative but to vote against this proposal.

President. — I call Mrs Dekker.

Mrs Dekker. — (NL) Madam President, ladies and gentlemen, it gives food for thought when we see in the motion for a resolution that we need a European passport to give the citizens of the Member States tangible evidence of solidarity within the Community. It gives food for thought because the introduction of a

uniform European passport is really nothing more than a matter of form, because it will do nothing to change all the formalities and obstacles people still have to face whenever they want to cross borders between Member States of the Community. Unlike Mr Berkhouwer, I believe that there can be no question of a uniform European passport all of a sudden giving us the right to move freely from Member State to Member State.

But something that gives even more food for thought is the fact that developments in the EEC are manifestly so little in evidence and have so little effect on the day-to-day lives of the people of Europe that we should need this kind of symbol to avoid — and here I am quoting from the motion for a resolution — 'jeopardizing the confidence of the citizens of Europe in the capacity for taking action and in the political resolve of the European institutions'.

Quite apart from the well-known problems of the language, cover and colour of the proposed passport, another much more serious point has now been raised by the United Kingdom in the Council of Ministers; it appears that the United Kingdom now all of a sudden wants to await developments with respect to some identity card or other to be issued under the auspices of the International Civil Aviation Organization. The United Kingdom is using this as a barely concealed excuse to resist the introduction — or at least, the rapid introduction — of a European passport. This just goes to show, in my view, that we can expect very little in the way of political resolve and decisive action from the Council.

I do not regard the introduction of a uniform European passport as a particularly important or essential matter, and here once again I must disagree with Mr Natali, who regards the introduction of this passport as an extremely important event. As far as I can see, it will have no effect whatsoever on freedom of movement across national frontiers. But what is important is the need for specific measures designed to eliminate as quickly as possible all the obstacles at border crossing points. Let me cite as an example the introduction of genuinely free movement for all citizens of the European Community, including those who are not engaged in any economic activity. I realize — as the President-in-Office of the Council pointed out — that terrorists are the real problem here, but I really wonder how many terrorists have been arrested at border crossing points simply as a result of having to show their passport. I cannot recall a single case of a terrorist ever having been arrested in this way.

The fact is surely that terrorists are still quite able to find a way across national frontiers despite the extensive border checks.

A second point I want to raise is the elimination of physical checks on goods traffic. It would appear that VAT and monetary compensatory amounts in particu-

Dekker

lar, which have to be settled on every occasion, make physical checks unavoidable. Would it not be a good idea for the Commission to investigate how much the Member States gain or lose in the payment of VAT at border crossings, and if there is a substantial discrepancy, should we not give some thought to the possibility of a balancing transaction based on a kind of annual average so that we can get rid of these checks?

A third essential point is the granting of the active and passive right to vote in local and regional elections to all registered residents, including foreigners. It would be one more demonstration of European solidarity and cooperation if European elections were to become really European in the sense that votes could be cast for candidates for the European Parliament regardless of national borders.

I cannot give my full support to this motion for a resolution on the introduction of a European passport, but neither shall I be voting against. I am not against the introduction of a European passport as such, but it seems to me that this motion for a resolution misses the real point and is far too cautious in its approach to the creation of a genuine passport union, which would enable people to cross national borders quite freely. For that reason, I should like to see this motion for a resolution referred first of all to the appropriate committee to study what this House can do to bring about a genuine passport union.

President. — I call Mr Fich.

Mr Fich. — (DK) Madam President, I should like to make a few personal comments on this subject, this proposal for a uniform European passport and especially the creation of a passport union eliminating the need for checks at border crossing points. Of course, one is bound to ask what good is all this. Is it something which deeply concerns ordinary people in the Member States? The answer of course is: No, it is not. There are very few people who have to cross national frontiers day in, day out. The fact is, it is something that mainly concerns diplomats, Members of the European Parliament and such like. That being so, we must really ask ourselves whether the practical benefits of this proposal will be such as to outweigh the disadvantages. Let me just give you a few examples of the kind of disadvantages we shall have. Firstly, the nine Member States will have to agree on who is to be regarded as a political refugee and who as a terrorist. What category does the PLO come into? And what about Polisario? Until we have reached agreement on things like this, we cannot possibly introduce this kind of system.

Secondly, there is bound to be a serious danger of trade-unions being kept under supervision and checks being kept on the number and treatment of foreign workers in the various Member States. Thirdly, it may mean in the long term that it will be easier to imple-

ment the so-called free movement of labour, which — as everyone knows — does not give the worker any rights, but instead puts the onus on him to move to where the jobs are.

I have been told that a uniform European passport will be a symbol of membership of the Community. That is what was said. But I believe very strongly that we ought to be concentrating on achievements rather than symbols. Let us give our peoples some proof that they really do belong to a community. Let us do so by showing that we can do something about the unemployment problem. That is the kind of thing people are waiting for, not empty symbols like this. Not that a European passport would be regarded as a symbol in Denmark. The Danes either want to see proof of solid achievement or be spared this kind of provocation.

President. — I call Mr Simpson.

Mr Simpson. — Madam President, no one can pretend that the achievement of a European passport is the most important task facing the institutions of Europe today. But the reason underlying the failure to reach agreement on a common passport is the same as underlies the failure of the Community in so many other fields: it is nothing less than a total absence of political will.

In the heady days of the early 1970's, when the accession of the United Kingdom, of Denmark and of Ireland had given a fresh impetus to the European ideal and when talk of progress towards European union, political, economic and social, was on everyone's lips, the idea of a passport union was a logical step on the way to creating the true citizen of Europe. 'Let us enshrine the concept of the citizen of Europe in a European document', said the Heads of Government of Europe. 'Let us create a European passport. But first', they said, 'let there be a European working — party', and so in the beginning they created a working — party. Unfortunately, unlike the first Creation, where a rather more complicated project was completed in only seven days, this working — party has laboured for nearly seven years and has completed nothing. No doubt the working — party was composed of clever people: men and women skilled in the ways of diplomacy, learned in the arts of persuasion, filled with knowledge broad enough to accomplish their task and with the determination sufficient to achieve their goal; and to be fair, they did succeed in reaching agreement. They agreed that the European passport should have 32 pages; they agreed that its cover should be of the colour of burgundy wine, but then their inspiration failed them. The combined weight of their intellects, their years of training and experience, their dedication and expertise could achieve nothing when faced with the insuperable problems of which languages the passport should contain, and whether the name of the Member State or of the Community should have precedence on the cover.

Simpson

Let us, Madam President, not blame the working — party, however, who are humble civil servants and who exist but to obey their master's voice. It is rather the masters we must blame, the governments of the Member States and the Council of Ministers. And so I say that at a time when recession looms large and economic and social problems turn nations in upon themselves, when European union is no longer seen as an immediate goal and when narrow national advantage is the watchword, let us have from you a decision to produce a passport, common in form, for the citizens of Europe, as a token of that citizenship and of Europe's common destiny. Let us for once have a little inspiration and a little encouragement. It will cost you nothing and it will do you nothing but good.

President. — I call Mr Coppieters.

Mr Coppieters. — (NL) Madam President, unlike Mrs Hammerich, I have a lot of sympathy for the subject matter of this motion for a resolution, but I just wonder whether the urgent procedure is desirable in this case. It seems to me that the request for urgent procedure was more the result of annoyance than anything else. We politicians in particular should perhaps learn to play the patience game rather better. What, after all, are the advantages of a European passport likely to be? We must go into this question in more detail, and what I have in mind is not the colour or the cover of the document or that kind of thing which has already taken up so many years of hair-splitting discussion. What I am talking about is the likely repercussions of the introduction of a European passport. To my mind, this question should be studied by a number of committees of this House. After all, the European passport should be something more than a mere token of the fact that the bearer is a citizen of the European Community.

There are a number of purposes that could be served here, and I should like to run through them very quickly. Firstly, the new passport should take account of health and safety factors. It should contain certain minimum, basic data on the bearer's blood group and vaccination record. Secondly, let us not forget that the integration of young people is one of the explicit aims of the Treaty, and a uniform European passport can be used to work towards this aim. I am thinking here in particular of our young foreign workers. Unfortunately, only citizens of the nine Member States will be able to benefit from the introduction of this passport. Another point to be borne in mind is that both young and old should have access to Europe's cultural heritage. A European passport should create a kind of social warmth and at least do something to counteract the problem of social alienation, which is on everyone's lips. The barbaric institution of the golden handshake and other such measures have resulted in relatively youthful members of the older generation now being thrown out onto the street. We must do

something to overcome the alienation of the large number of over-sixties in Europe, and that is the idea behind my amendments. There is only some point in having a European passport if it does something to counteract the isolation and alienation of the younger and older generations. I should like to offer my sincere thanks to Mrs Baduel Glorioso for supporting my amendments. We should refrain from opening wide the gates to a European homeland under the motto *ubi bene, ibi patria* until the introduction of a European passport will bring genuine and general benefits for the people of Europe. Then it will truly be a good thing.

President. — I call Mr Møller.

Mr Møller. — (DK) Madam President, I should just like to make a few comments on this proposal.

I come from the country which — as Mrs Else Hammerich mentioned a little earlier — is a member of a Scandinavian passport union comprising Norway, Sweden, Finland, Denmark and Iceland. The union does not boast a uniform passport. To avoid bureaucratic wrangling — and I would ask the President-in-Office of the Council to take note of this — we did not go headlong into a debate on what colour the cover should be, whether it should be claret or burgundy red or any other colour of the rainbow. We simply said that any citizen of a state belonging to the passport union should be free to travel throughout the Scandinavian countries without having to take his passport with him. I should like to suggest that perhaps we too ought to give some consideration to the solution adopted in Scandinavia, instead of opting for setting up a bureaucracy to do the administrative work involved in introducing a European passport. After all, we already have our own national passports. We already have national health cards. We already have personal identity cards which we are required to carry with us at all times. We already have credit cards to enable us to pay our bills wherever we are. Instead of having a European passport as well, would it not be easier simply to let Europeans travel freely throughout Europe? There would be definite advantages in that. The problem with all this, and the weakness of the scheme, is that the individual has been reduced to a minor factor in considerations of state. It is the state which decides whether the individual may move freely outside the country's borders, and whether he may have a passport. And now it is the state which is going to decide whether the individual may move about freely within Europe's borders using a European passport. I think the introduction of a European passport would be a step forward, but it would not be enough in itself. We must progress to the stage where we do not need a piece of paper or authorization from our government to be able to move freely within Europe's borders. What we should be aiming for is the kind of situation in the Scandinavian countries, where anyone

Møller

can move freely from one country to another. That is the idea I should like to commend to the attention of the President-in-Office of the Council. Would it not be better, instead of going on for hour after hour about what colour the passport should be — which is, quite honestly, just a little ridiculous — to get down to brass tacks and say: No more bureaucracy and no police authority to issue new European passports, but simply freedom of movement for all European citizens within the Nine's borders?

(Applause)

President. — I call Mr Tindemans.

Mr Tindemans. — (NL) Madam President, people may be forgiven for wondering whether a debate on the introduction of a European passport is really all that important. There is, of course, a lot to be said on the subject but the question is whether it is really worth devoting a full-scale debate to it. Needless to say, I am convinced that this debate is worthwhile, otherwise I should not have asked for the floor. While recognizing the idealism and conviction which pro-Europeans have shown in the past and still show today in an attempt to drum up more support for the European ideal, I feel that they have committed an error in that the European ideal has too often been left to small bodies of people. If you think for a moment how many members the Jean Monnet Committee for a United States of Europe had, or how many people in Europe belong to the European Movement I am sure you will agree that the European ideal has always been tackled in too small a circle and has never really filtered through to the great mass of people in the Member States.

As someone said just now, the kind of jargon we use in Europe sometimes makes it impossible for the man in the street to understand the issues involved. He is undoubtedly pro-European, but just cannot keep track any more of what is going on.

Nevertheless it is absolutely vital that we should take steps in Europe to bring about a sense of European citizenship, rather than a kind of European patriotism which Mr Habsburg spoke about a little earlier, although this does not mean to say that I do not take his point. If this sense of European citizenship were to prevail on a large scale in Europe, it would — I am sure — be much easier for politicians, ministers and the European Parliament to find solutions to difficult problems. We would then feel we had the backing of the great majority of the people of Europe.

It is important that the people of the Member States of the European Community should support and even give added stimulus to the European ideal, and outward tokens of solidarity in Europe are extremely important to the creation of a sense of European citizen-

ship. I must admit that I was hurt to hear a Danish Member say just now that, as far as she was concerned, the problem was a serious one, that she was pleased the passport problem had been solved by the Scandinavian countries, but that she was against a similar solution being adopted in the case of the European Community. Madam President, this kind of attitude is tantamount to discrimination and apartheid in Europe.

(Applause)

Is it because we are that much worse or that much less reliable that we are not to be allowed to profit from a solution which is clearly a good one for the Scandinavian countries?

I think the European man in the street gets annoyed when he hears so much talk about European unification, and then finds, whenever he wants to cross a border, that he is still subjected to all the old problems, including checks, and as far as passports are concerned nothing has really been done. That is the kind of thing that strikes him, and that is why he cannot understand how we can possibly waste so many words on the subject. To my mind, then, the European passport is an important matter. Not only would uniform identity cards and passports be an admirable symbol in themselves; they would also make many things a lot easier here in Europe.

I should like to read out a paragraph from the final communiqué issued after the European Council meeting in December 1974. I just happened to be there myself, and I can tell you that we were convinced that the passport question would be settled within a very short space of time. Paragraph 10 of the communiqué reads: A working party will be set up to study the possibility of establishing a passport union and, in anticipation of this, the introduction of a uniform passport' — and goes on — 'If possible, this draft should be submitted to the Governments of the Member States before 31 December 1976. It will, in particular, provide for stage-by-stage harmonization of legislation affecting aliens and for the abolition of passport control within the Community'. The text of the communiqué is perfectly clear, but here we are now in March 1980 and still nothing has come of the whole affair! If my information is correct, the Commission even submitted a report to the Council, dated 3 July 1975, containing concrete proposals. I was particularly glad to hear Mr Natali, a Member of the Commission, say just now that he goes along with the case that has been made out here today for a solution to the passport question in Europe. I hope the Commission's voice will be heard by the Council, but the real question is why has nothing been done so far? Of course, I agree with what has been said by most of the previous speakers, but I should like to point out that Mr Berkhouwer tabled a question in December 1979 which should have given rise to a full-scale debate. In reply to his question, the representative of the Council said that things were being blocked at Council level. And when Mr

Tindemans

Berkhouwer went on to ask who was responsible for this blocking and why, he got the astonishing answer that the Council was unable to give a reply because its deliberations were confidential. Madam President, the European Parliament might just as well pack its bags and go home if we are prepared in the future to put up with that kind of answer. If that is an example of the relationship between the Council and the directly elected European Parliament, there is something wrong somewhere!

(Applause)

We had no opportunity on that occasion to raise the subject again, which is why I beg to do so now, so that we get a more satisfactory answer from the Council and are also able to rethink the relationship between the Council and the European Parliament and perhaps to enable the Council to give this House further information which will be worthy of Parliament's real importance.

I should like to say a few words about Brussels and the kind of treatment that Members of this House, among others, receive — this in reply at least in part, to the comment made by Mr Spencer. You will appreciate that I have to be extremely cautious in what I say, in view of the problems facing my country. I can assure you though, that I have already spoken to at least five ministers in the Belgian Government, and have got in touch with Zaventem Airport, with the authorities responsible for airline routes and with the airline Sabena. They have all promised to examine the problem and put forward proposals in the near future, I should like to add, though, that we are doing our best in Brussels as well to ensure that a true European spirit prevails I said in public last Wednesday in Brussels — and my speech was reported in the papers — that we do not want to see Brussels lag behind Strasbourg — to take one example — as regards European spirit and the reception it gives to Members of the European Parliament. That is at least a first reply. Madam President, I should like to appeal to the Council to make a gesture which, after all, will not cost it anything. There is no question here of any institution trying to extend its powers. It will not create any great political problems which might in turn create dissension between national governments. This is a field where the Council could make a gesture in giving us a uniform European passport and thus preparing the ground for a passport union. As I said before, outward tokens of solidarity within the Community can be important in creating a sense of European citizenship. The report refers to the need for European Union to 'make itself felt effectively in the daily life of individuals', and that is something I fully support. Indeed, I believe it is one of our allotted tasks, and passport union can help to make this kind of solidarity a reality.

Of course, there may be differences of opinion on the aims of European unification, but would anyone in this Assembly really claim not to be for a people's

Europe, a citizen's Europe, a Europe for the people who live and work here and for whom we want to create a better society? A European passport would be one way of giving more shape and form to this people's Europe. I would appeal to the Council to do its bit in this respect, and to the President-in-Office of the Council to get his colleagues to do a Good Thing for Europe.

(Applause)

President. — I call Mr Pedini.

Mr Pedini. — *(I)* Madam President, I want to thank everyone who has spoken and to address a precise request to the representative of the Council of Ministers. This debate can be summed up very easily. Everyone recalled how in recent years the Council of Ministers and the European Council gave certain commitments on the subject of a common passport. The Commission has told us that the technical difficulties have been overcome, and so I want to ask the Presidency of the Council to take a final decision in line with the earnest nature of these urgent proposals. We are confident that the Italian presidency will respond in this way and we call on it to report back to us as quickly as possible, as soon as this assessment has been made. Our voting in favour of the motion, Madam President, will be construed as support for the President of the Council. Let me say right away at this point, Madam President, that I am not against the adoption of Mr Coppieters' amendment No 1 provided there are some stylistic changes.

(Applause)

IN THE CHAIR: MR KATZER

Vice-President

President. — The debate is closed. The motion for a resolution and the amendments which have been tabled will be put to the vote at the next voting time.

6. *Budgetization of the EDF*

President. — The next item is the motion for a resolution (Doc. 1-812/79) by the Liberal and Democratic Group on the budgetization of the European Development Fund.

I call Mr Irmer.

Mr Irmer. — *(D)* Mr President, ladies and gentlemen, the Commission's second draft budget for 1980 differs from the first in omitting from the general

Irmer

budget of the Communities the financial activities under the Lomé Convention. We have tabled this motion for a resolution because we can see no rhyme or reason in the Commission's attitude. Let me remind you that ever since 1973 not only the European Parliament but also the Commission have always agreed that the European Development Fund should be budgetized. Let me also remind you that, in 1975, when the first Lomé Convention was signed, the Council too agreed that budgetization of the Development Fund was a worthwhile aim which was being actively pursued. Let me also remind you that, for some time now, we have heard over and over again all the arguments for the inclusion of the Development Fund in the general budget in great detail and that the Council has at no time raised any basic objection to this principle. Finally — and this is the most important point — let me also remind you that, in December 1979, when this House rejected the budget for 1980, it did so essentially for four reasons, one of which was the fact that the Council refused to accept the budgetization of the Development Fund.

Ladies and gentlemen, we are at a loss to understand this sudden change in the Commission's attitude. The Commission says that it still adheres in principle to the view it shares with the European Parliament, but felt unable to propose budgetization once again because the Council had already declared its opposition to the principle. This is precisely the root of the conflict. Does the Commission really think that it can do something to resolve this conflict by simply unilaterally adopting the Council's view or at least giving way to the Council's wishes? In centuries gone by, people were encouraged to stand up to despotism. What we need right now is for Commission officials to stand up to ministerial despotism. That is what the European Parliament expects of the Commission, and not only in this particular instance.

Perhaps I may be allowed to remind the gentlemen from the Commission that the satisfaction or dissatisfaction of this House with the way the Commission conducts its business can have very definite political consequences. In my opinion, the arguments advanced by the Commission here are not at all logical. By giving in to the Council's proposals, the Commission is in effect surrendering one of its own functions; let us not forget that the Commission has not only a right but a duty to put forward proposals. By failing to make a proposal because it assumes from the outset that the Council will refuse to accept it, the Commission is in effect guilty of dereliction of one of its essential functions. Secondly, the consolation that the sixth European Development Fund may be budgetized in 1985 or 1986 is, in the view of this House, intolerable simply because by the year 1985 or 1986 responsibility will lie with a new Parliament to be elected in 1984. This 'consolation' is all the more intolerable since, although the European Parliament is responsible for monitoring and supporting the work of the Commission in connection with the Lomé Convention and the Develop-

ment Fund, for some incomprehensible reason it is not supposed to have any right to be involved in any shape or form in the allocation of the available resources. In the early years, at least, ladies and gentlemen, financing is no problem because the outflow of resources in these early years of the fifth Development Fund will, to begin with, be such a trickle that we shall need no additional own resources. The own resources we have at our disposal would be quite adequate. But disregarding this point, which affects only the early years, I still think that the question of financing — in other words, the flow of resources to the Development Fund — will create no problems. On the occasion of the first reading of the draft budget, the Liberal and Democratic Group tabled an amendment providing for the fifth Development Fund to be financed from Member States' contributions up to the level of the fourth Fund, with the residue coming from the Community's own resources. That was one possible solution to the problem. I am sure there are others which we could discuss. But now the Commission is raising the objection that budgetization of the Development Fund is impossible so long as it is financed mainly from Member States' contributions.

I fail to see the logic of this argument either; there is absolutely no question of casting doubt on the principle of own resources. For one thing, as the Commission itself has pointed out, the principle was discarded in the case of the JRC, which effectively created a precedent.

For another thing, the principle of own resources conflicts with the principle of budgetary coherence and the need to include all the Community's financial activities in the general budget.

In conclusion, ladies and gentlemen, we have asked for a conciliation procedure to be opened because we believe that this serious subject deserves greater attention on our part. You will note that what we have in mind is not a conciliation procedure as part of the budget procedure, but a legislative conciliation procedure which will give both sides another chance to reexamine and exchange their arguments in detail.

Given that the budgetization of the Development Fund was one of the four essential points which led us to reject the budget in December 1979, we believe that we should not now simply abandon the matter and wipe the slate clean. Indeed, I think this subject is sufficiently important for us to make sure that the negotiations do not — as was the case in December — take place in just one hour sometime around one or two o'clock in the morning. We ask for a legislative conciliation procedure to be opened, and we would beg your support.

(Applause)

President. — I call Mr Glinne to speak on behalf of the Socialist group.

Glinne

Mr Glinne. — (F) Mr President, ladies and gentlemen, the Brussels Commission and Parliament have, particularly in the debates in this House on the budget at the end of last year, strongly urged that the European Development Fund should be budgetized. This question is now part of the political conflict between Parliament and the Council, whose attitude we are very much looking forward to hearing.

The motion for a resolution by the Liberal and Democratic Group which we have before us this morning would be superfluous were it not for the fact that in the first instance it offers an opportunity of recalling the reasons militating in favour of budgetization. Indeed, the main motivation of the European Commission, and more particularly of Parliament, in asking for the EDF to be financed no longer from direct contributions from the Member States but from the Community's own resources is primarily political. In a communication from the Commission to the Council dated 12 June 1973, I find the following: 'It fits in with the logic of the Community's development for the EDF to stop being the only EEC financial operation still functioning with a system of contribution which remains outside the budgetary powers conferred on the European Parliament.'

Ever since, the arguments put forward by the Commission and Parliament have always rested on this realization that financing the EDF by direct contributions from the Member States is in a sense an anachronism in relation to the state of European development.

The other arguments in favour of this budgetization of the EDF are as follows. Firstly, the question of budgetary control. In recommending budgetization, the European Parliament is indeed conscious of the fact that in the present situation major Community expenditure remains beyond the scope of its budgetary powers. Secondly, the diversification of the budget. Including in the budget expenditure on financial and technical cooperation would make for a better spread of budgetary expenditure. The EDF expenditure would thus make its contribution along with other intervention expenditure — the Social Fund, research and investment expenditure, the Regional Fund — to counterbalancing the expenditure on agriculture which, as we all know, represents an enormous proportion of the budget.

The third argument is that of budgetary transparency. At present, the Community's policy on cooperation and development makes use of various instruments. The EDF operations are carried out independently of the budget. Expenditure on food aid and the European Association for Cooperation are included in the Community's budget, as are also a number of operations or studies relating to training, marketing or development cooperation, while certain forms of financial cooperation are administered by the European Investment Bank. By grouping together the major part of these

substantial financial resources, on the other hand, budgetization would undeniably constitute a degree of transparency in Community operations. It would thus become easier for the Community to bring out within international organizations such as UNCTAD, how much it devotes to helping the developing countries.

Fourthly, the question of continuity between conventions.

Under the present system, Mr President, the hiatus between two conventions poses serious problems which are not easy to solve and are detrimental to the associated countries. There only has to be a significant delay, for whatever reason, in the parliamentary ratification procedures at national level for the establishment of the development aid fund to be postponed.

Within the framework of the budgetary system, these problems could be solved in such a way as to guarantee the continuity of aid during any transitional period between two conventions. It would then be sufficient to include in each convention suitable provisions for additional commitment and payment appropriations to be charged to own resources and submitted to the budgetary procedure. This solution, which does not imply any additional transfer of national budgetary receipts to the Community budget, would thus enable action to be taken, if necessary, in the absence of ratification by national Parliaments.

Fifthly and lastly, the elimination of discussions on the key for contributions. Indeed, replacing contributions from the Member State by the Community's own resources can but facilitate one of the delicate phases of negotiations, namely the question of fixing the level of appropriations for financial and technical cooperation. Under the present system, this discussion comes in the final phase of negotiations, and over and above the simple objective factors, fixing the key for Member States' contributions to the Fund can have repercussions which lead to not inconsiderable delays. Since financing from own resources, preferably within the framework of compulsory expenditure, would *a priori* resolve the problem of the key, the Member States would obviously be better able, with budgetization, discuss the volume of contributions without being to influenced by considerations of balancing the burden within the Community.

These, Mr President, are the essential reasons behind our group's longstanding attachment to the idea of budgetizing the EDF, despite the indifference or apparent indifference shown by our ACP friends towards preoccupations which they regard as being essentially European. We are impatient, Mr President, to see what the Council's response will be to the views expressed by Parliament, on two occasions, at the end of last year.

President. — I call Mr Jackson to speak on behalf of the European Democratic Group:

Jackson

Mr R. Jackson. — Mr President, as Mr Irmer has said, one of the most disappointing aspects of the failure of the conciliation procedure at the end of 1979 on the 1980 budget was the reluctance of the Council to make any significant move whatsoever on the question of financing the European Development Fund within the framework of the Community budget. This has been one of the conditions that Parliament laid down for passing the budget, and it is a very important matter.

The present financial arrangements for the Fund are quite obviously transitional. On the one hand, they envisage financing the EDF on the basis of an *ad hoc* key which is broken down between the Member States, an arrangement which does not enable the European Parliament to have an effective say over the authorization of EDF expenditure. On the other hand, it is accepted that the European Parliament is responsible for the implementation of expenditure from the Fund and for granting a discharge in respect of the expenditure which is incurred each year. The present situation is therefore inconsistent, and it is inconsistent because the Council does not have the courage or the political imagination to follow through the logic of the Treaty, which requires that Community activities should be financed from the Community budget.

The fundamental issue is, of course, that of the most appropriate way in which Parliament may be associated with the negotiation of conventions and financial protocols with third countries. Of course, Parliament cannot and should not arrogate to itself the right of direct negotiation with third countries. This is not a legislative function. Nevertheless, Parliament and its rapporteurs should be kept fully informed of developments in negotiations which might lead to important budgetary developments. They could then alert their parliamentary committees if they were not satisfied about the course of those negotiations, so that particular problems could be highlighted in debates in this House.

Of course, when we think about specific arrangements for budgetization, we in this House have unfortunately to recognize that it has been agreed that for the current EDF, the fifth EDF, financing will have to continue on the basis of an *ad hoc* national key. I think it would therefore be a waste of time for us to devote too much attention now to a discussion of the most appropriate forms of budgetization for the Fund. What matters at the moment is that Parliament should be more fully informed about the expenditures that arise under the current Fund and that the Council should commit itself now to the full budgetization of the fund from the sixth EDF onwards. This, I think, is a suitable basis for the conciliation procedure which is called for in this resolution. We need to reach agreement on the budgetization of the Sixth Fund and all the funds that will follow and we need agreement now on the best procedures for associating Parliament with the negotiations which will lead up to the next conven-

tion. This would be a very positive step forward in terms of Parliament's rights and it is also something which it is correct to press on the Council now.

For these reasons, on behalf of my group, I fully support this timely motion which has been put down by the Liberal Group.

President. — I call Mr Denis.

Mr Denis. — (F) Mr President, like many other Members of this House, I have just taken part in the meeting of the EEC/ACP Joint Committee in Arusha.

On the part of our partners from the developing countries this session was marked by a certain disenchantment. We had to listen to some vigorous criticism since — as any objective observer must realize — the Community's current policy is far from being designed to lead to balanced development, self-sufficiency in food, or to the diversification of trade with respect for equal rights and mutual interests.

The gulf between our highly industrialized countries and the developing countries, which are regarded as sources of raw materials and massive profits, is getting wider and wider.

This being so, when the French Communist Members and their allies look at the proposal for budgetizing the EDF which we have before us, the question they ask themselves is: does this in any way whatever represent a step forward in this supremely important field of present-day international relations?

Our answer is no, for while what is being claimed is new powers for this House in yet another field, the purpose is not at all to further genuine cooperation with these peoples and to devote adequate funds to this cause.

The purpose, whether you admit it or not, is to take a further step down the road to supranationality, towards a form of integration which deprives each Member State of the sovereign right to pursue a national policy of cooperation and development aid, and those who benefit from this are the strongest — i.e., within the EEC, the Federal Republic of Germany, not forgetting the American and other multinationals. The purpose, in short, is to provide new means of practising blatant political discrimination.

Numerous recent developments provide evidence of this, with regard, for example, to the use of the food weapon or the guarantees required from the developing countries in favour of private investment as part of the negotiations for Lomé II. In this respect there is a very broad consensus on all the benches to the right of our Group, as well as in the Council and the Commission.

Denis

In Arusha, the Tanzanian Minister, Mr Jamal, had occasion very rightly to express his indignation at the declarations made by Lord Carrington, the United Kingdom Tory minister, which amount to nothing less than blackmail on this question.

For all these reasons we declare our opposition to the budgetization of the EDF and at the same time our support for a broad cooperation and development aid policy, primarily at bilateral level, and for new relationships between the countries of the EEC and the ACP countries, thus contributing to the establishment of a new international political and economic order.

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — (D) Mr President, ladies and gentlemen, I only wish to speak on one point which has been raised during this debate. This Parliament has long demanded that the Development Fund be included in the budget and we are in fact involved in a permanent conciliation procedure on this question. One question must be asked on this subject: how seriously do we take ourselves if we are continually asking certain questions which were answered long ago by Parliament as if they had never been answered. Both Mr Jackson and Mr Glinne have already pointed out that this point likewise played a decisive role in the conciliation procedure with the Council on the 1980 budget and that it was one of the reasons for rejecting that budget. I will not bother here to go into the other questions asked by the authors of this motion for a resolution, since I consider that for the great majority of this House they are self-evident. I merely wish to state that we in the Community, as a result of the demand formulated by this Parliament and of the Lomé convention, have Community and not national commitments in this area. This is why all the financial operations of the Community and not national commitments in this area are included in the budget. The counter-argument which the Council continually puts forward — that a different means of assessing the contributions of the separate parts of the Community i.e. the Member States, is provided for — is absolutely no obstacle to including the EDF in the budget. To this extent, Mr Irmer, the desire — which we all share and which you have just explicitly underlined — that we should open a conciliation procedure on this point has long been fulfilled. In this case, we are engaged in a permanent conciliation procedure. I must warn you, including my colleagues from the Liberal and Democratic Group, that if we keep on bringing up questions which were discussed and answered long ago, we shall lose our credibility. To my mind, this is a most crucial point. We must therefore not act as if we were discovering completely new things which now suddenly require urgent attention. During the continuation of the budgetary procedure for the 1980 budget this question will again be discussed with the Council, as indeed will agricultural

policy, non-compulsory expenditure as divided into payment and commitment appropriations, the budgetization of loans and budgetization of the European Development Fund.

Thus I basically consider this demand to be superfluous because it has long been fulfilled. We are at present involved in conciliation and in negotiations with the other partner; and this should be very closely borne in mind by the Group which tabled this motion so that we do not keep on casting doubt upon ourselves.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, it is unusual for the Commission to intervene in a debate on the Council day, and I do so very briefly indeed, simply because I want to emphasize the attachment which the Commission has to the proposition that the European Development Fund should be budgetized. It is in our view an expression of a major Community policy, and as such it ought to be included in the budget. I need not make a long speech, because, as Mr Lange said just a moment ago, everything that needs to be said on this subject has been said and, as Mr Jackson said in an earlier intervention, work on this matter will, of course, proceed during the course of the present budgetary procedure. We hope very much that it will, and I share the view expressed in much of what Mr Jackson said about the need now for people to begin to think about the next European Development Fund and its incorporation within the budget in the normal way.

I would make only one final remark, which is that some reference has been made to the discharge. The procedures which the Commission intends to follow and which were incorporated in our budget document earlier will, I think, give the House an opportunity to exercise even more fully than in the past its ability to review the whole procedure during the discharge. The discharge, as I said before, is a matter in which I think the House can make its feelings felt in a very effective fashion. Hoping that the House understands that the brevity of my speech is designed to emphasize our attachment, Mr President, I will leave it at that.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

7. Agricultural structures policy

President. — The next item is the report (Doc. 1-824/79), drawn up by Mrs Barbarella on behalf of the Committee on Agriculture, on the

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proposals from the Commission to the Council (Doc. 47/79) on policy with regard to agricultural structures.

I call Mrs Barbarella.

Mrs Barbarella, rapporteur — (I) Mr President, I should first of all like to remind you that the proposal which the European Parliament has been called upon to express an opinion on is a complex of measures intended to rectify and supplement the structural policy programme which was launched by the Community in 1972.

Many Members of this House are aware that at the beginning of the seventies, in view of the structural imbalances in European agriculture, which even then were on the increase, the prices policy was backed up by a Community structural action programme — to tell the truth, not without some bitter opposition — and this programme was intended to promote a trend towards greater homogeneity in the agricultural systems of the Member States by encouraging the modernization of those agricultural holdings which were less efficient but capable of development.

This programme — with limited resources and completely secondary when compared with market interventions — was based upon a mechanism which was intended to encourage elderly farmers to abandon farming in order to free farming land for the benefit of those producers who were capable of improving the structure of their own farms. Now, at some years' distance from the start of this reform, we are obliged to admit that it has had an impact upon European agriculture which it would frankly be erring on the side of generosity to call modest. In fact, the official data provided by the Community itself show that those farms which have been modernized under the Community reforms constitute a minute proportion — scarcely 1.4 % — of the total, and it also transpires that these were in fact farms which were already competitive with regard to size and yields, and that, finally, the mechanism designed to increase land mobility, which was the lynchpin of the entire reform, was totally irrelevant. The truth is that this reform was conceived at the end of the sixties, when Europe was still in a period of economic expansion, with the result that it was incapable of making any real impact in the profoundly different economic conditions which had resulted from the crisis of the seventies.

In short, the way in which the Community reform has been implemented has turned out to be totally unsuited to solving the fundamental problems that beset the weaker farms and regions and, in any case, has had hardly any impact in the Community context.

At the same time it should also be pointed out that, during those very years in which the Community structural reform was being carried out, one or two by no means insignificant social and structural changes

were taking place in European agriculture. During the decade 1970-1980 there was a process of amalgamation and expansion of the most modern and efficient farms and in the most favoured agricultural regions in Europe, whilst at the same time the disparities between the different regions and the various farming sectors and, consequently, between the workers in the agricultural sector themselves, continued to widen.

Against this background, and especially in view of the extremely modest results so far obtained, the Commission now proposes to rectify and supplement the policy it began in 1972. Furthermore, it is proposing to do so on the basis of two main priorities: the first is that the structural reforms must have the overriding aim of promoting improvements in income and working conditions in the poorer regions and farms, the second is that it must take account of the very great diversity of structural and natural conditions in the various agricultural regions of the Community.

It is on the basis of these priorities that the Commission intends to give immediate attention to providing incentives for the modernization of farms which have hitherto been excluded from the reform, and it has submitted a series of specific programmes for various problem areas in Italy, Ireland, Greenland, France, Belgium and the Western Isles.

After a detailed debate the Committee on Agriculture approved these priorities by a large majority, though it also considered that the Commission's new approach to the matter was insufficient and somewhat faint-hearted. It was of the opinion that, given the changes that have taken place in the European economy and the ever more pressing need to redress regional imbalances, the proposed changes, taken together, remain somewhat limited in scope and, further, that they only rectify in part the defects of the 1972 reform and fail to follow through the principles on which the Commission itself appeared to have based its approach. In spite of the positive elements that have been introduced, the new proposals, taken as a whole, still boil down, on the one hand, to a rehash — though in a rectified form — of the old mechanism, whereby some people were driven off the land while others were encouraged to stay, totally ignoring the general economic crisis and the effects that it has had on the chances of excess labour finding alternative employment or on the conditions for improved land mobility; but on the other hand, they also boil down to a presentation of one or two regional reforms which are certainly, very important, but behind which we cannot perceive any criteria for an overall policy of regional reform.

However, quite apart from these limits, the Committee on Agriculture has in any case taken the view that the reform of the structural and market aspects of the Common Agricultural Policy can only be carried out realistically over a reasonably long span of time and in stages. This is why, after having decided that the pro-

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posals put before it are altogether inadequate, it is submitting to Parliament today a series of changes and additions which it feels could improve the effectiveness and the efficacy of these reforms.

In the interests of brevity I should like to ask those of you who require information on our specific proposals for changes and additions to read the text of the motion, whilst I shall only indicate here one or two of the main criteria which guided the Committee on Agriculture in the drafting of its proposals. The criteria I mean are, first of all, reinforcing the idea of greater flexibility and differentiation in the various restructuring measures which have been proposed; giving particular attention to the problems of young people working in the agricultural sector; giving more attentive thought to new ways of organizing agricultural work, in particular, various forms of part-time farming which are being developed in Europe, even in highly industrialized areas; giving greater consideration to the problems and the requirements of hill farming and farming in less favoured areas; strengthening the steps that have been taken to develop a policy of regional aid which will not be merely *ad hoc*, but will become an integral part of the Community action programmes; the need to back up professional training activities, with the appropriate research activity in the agricultural field and, finally, the need to single out at Community level one or two key structural factors in the agriculture of the Member States — the degree of land mobility and the mechanisms of agricultural credit, to mention only two of them.

In other words, and by way of conclusion, Mr President, the Committee on Agriculture considers by a large majority that, in the first place, structural policy must also be pursued more actively at the financial level; secondly, that an adequate structural policy, which is both flexible and differentiated, may, by reducing the disparities in productivity and in incomes amongst the agricultural systems of the Member States, help to define a Common Agricultural Policy which will be generally more equally balanced; finally, that the very process of overcoming structural and territorial imbalances may help to create greater internal cohesion within the Community, which is something that is more desirable and necessary today than ever before.

(Applause)

President. — I call Mr Pisani to speak on behalf of the Socialist Group.

Mr Pisani. — (F) Mr President, ladies and gentlemen, this is an excellent and important report on a subject which is part of our common research on the agricultural policy. During the coming weeks and months we shall have to deal with this agricultural policy from the budgetary point of view, that is to say

from the point of view of prices; today we shall look at it from the structural point of view. The Socialist Group would like a debate on an overall approach to the common agricultural policy to be organized here very shortly.

In fact, if on the one hand the budget provides an excellent occasion for fixing limits, giving guidelines and warning the Commission the Council and the professionals against certain risks, it cannot, on its own, be used as an occasion for defining the agricultural policy. In the same way, the difficult problem of prices which has given rise to passionate, and in some respects, derisory debates, does not help us either to say what Europe wants for its own agriculture in a world which is becoming dangerous.

The structural policy which we are dealing with today, on the basis of a document whose high quality I should like to emphasize again, is itself a positive approach, but it is not on its own enough to define an agricultural policy. I should therefore like to raise two points which will take their place, if you are in favour, in our general discussion of this topic. The first concerns the possible substance of an agricultural structures policy and the second concerns the relationship between structural policy and price policy. I shall deal with these two subjects in turn.

Firstly, there are three kinds of situation in which structural policy may have some meaning. There are, first of all, regions in which the natural resources, the pre-existing structures, are such that the process of adaptation occurs naturally, in which case and the price mechanism is the decisive factor. There are other regions in which the price mechanism is not enough and must be given as it were, a helping hand. There are structures and farms which cannot adapt solely through the play of the price mechanism and we must come to their aid so that, once they have received help for a certain time, they may reach a level of development which will subsequently make them in some sense autonomous and capable of adapting within the framework of the price policy. But there is also a third situation, to which we must give some thought; this is the case of inadequate structures in difficult regions, where there are good grounds for wondering whether they will ever be capable of yielding a living wage for those who work there. This is where two of the central preoccupations of agricultural policy come together, the first being the problem of production and competitiveness and the second being the questions of population and, I would almost go so far as to say, of ecology.

To approach the agricultural policy solely from the point of view of the price mechanism tends to give credence to the idea that the economy, on its own, is capable of solving all the problems arising within the confines of Europe, all the problems of all the regions of Europe. Now it is clear that the price mechanism could result — or rather, does result, as the report

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states quite clearly — in aggravating the distortions and disparities between the most favoured and the least favoured regions.

We have a fundamental criticism to make of the commercial approach to economic problems. The truth is that such an approach tends to include in its calculations only those data relating to the market economy and not those data relating to the overall economy. Now the fact is that the data for the overall economy have changed significantly in the last twenty years. Whilst it is true that twenty years ago a farmer who left the land became an urban worker, today a farmer who leaves the land joins an urban dole queue. Is there any point in pursuing a policy which simultaneously turns already threatened regions into deserts and helps to swell the ranks of unemployed urban workers? In the same way, whilst it is true that twenty years ago energy was available in unlimited quantities and at very low prices, from now on energy is scarce and must be used very economically.

This being so, another approach to economic problems would appear to be necessary. We believe that it is not possible to deal with the agricultural policy solely from the market, point of view because that is a commercial approach and therefore a narrow way of looking at economic phenomena whereas we need to approach the problems of agriculture on a global basis. The truth is that agriculture is not just a source of production: it is also a source of security of supply and a stabilizing factor in areas that are threatened.

Having dealt with these considerations, I should now like to look at another problem: that of deciding — and this is the aim of the two amendments which we are putting down — whether the whole of the agricultural policy should be dictated, led and coloured by price policy or whether, on the contrary, the structural and price policies should be balanced and convergent. The initial report that was submitted to the Committee on Agriculture had the aim of presenting the two aspects of the agricultural policy as symmetrical aspects. The rapporteur, in his initial approach, made a point of not giving priority to one or other of these aspects. One amendment which was adopted by the Committee on Agriculture amounted to organizing the agricultural policy around the markets and using of the structural policy as a corrective for any mistakes that resulted from the market policy. In our opinion this is a perverse, even dangerous, approach and we believe that the view must be that these two policies must be pursued side by side and that, whilst we must see to it that the market mechanisms are regulatory mechanisms, we must also and with the same attention devote ourselves to this structural policy, so that all the Community regions and the greatest possible number of individual farms reach the level of development that is necessary for the survival of balanced agricultural holdings and for the survival of farms capable of giving the farm worker a decent wage.

In this way we find ourselves caught up in a fundamental debate, a debate which deals with both theory and practice. Have we sufficient faith in the market to rely upon it for our supplies, to rely upon it for our regions and for our farms, only intervening in order to correct its mistakes, or, on the contrary, do we wish to make use of this market as a mechanism and use the deliberate intervention of a structural policy as a permanent tool of adaptation? This is a crucial debate. This is why we believe that the amendments which we have put down, the purpose of which is to demonstrate the balance between the two aspects of the agricultural policy, are decisive for us and will determine the attitude that we shall adopt on this vote.

(Applause)

President. — I call Mr Barbagli to present the opinion of the Committee on Social Affairs and Employment.

Mr Barbagli, draftsman of an opinion. — *(I)* Mr President, ladies and gentlemen, we are about to scrutinize the Commission's proposals on the policy with regard to agricultural structures, and we cannot but do so in the light of the present situation which, in the immediate and medium term, looks distinctly different from what it was during the seventies. Unlike the situation then, today there is no longer any way of absorbing excess labour from the land into non-agricultural sectors of industry. Unemployment has now reached the 6 million mark, with increased unemployment amongst young people. For this reason our policy on agricultural structures should have as its aim the harmonious attainment of the following objectives:

- (a) to satisfy consumers' needs in terms of agricultural produce
- (b) to maintain existing employment levels and to raise them by measures to be taken in non-agricultural sectors and the regions
- (c) to correct present imbalances amongst Community regions and within the Community itself

The improvement of agricultural structures must therefore answer the needs of efficiency, competitiveness and full employment, so that agriculture may also become an instrument of active employment policy and a means of improving living and working conditions on the farms and in the countryside. In this connection we must also bear in mind the phenomenon of immigration from third countries, even in prosperous sector.

I think it may be of some use to give you some figures for employment in agriculture. Young people of under 24 years of age represent 16.5% of the total employed population and 9% of the population employed in agriculture. Those between 25 and 34 years

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of age represent 24.2 % of the total employed population and 13.8 % of those employed in agriculture. People of between 35 and 44 years of age represent 23 % of the total employed population and 23 % of those employed in agriculture, whilst those of between 55 and 64 years of age represent 17 % of those employed in agriculture as against 11.8 % of the total employed population.

There is no corresponding increase in the number of persons employed in services to counterbalance the continuous contraction of the agricultural workforce, since there has also been a fall in the number of vacancies in other productive sectors, including industry. In other words, structural policy concerns the professional and living conditions of anyone working in agriculture, just as it concerns the farm and the land as factors of work and production, the mobility of individuals, the processing and the marketing of produce, and regional planning.

So this policy must be reshaped for the 80s and must take account of temporary phenomena, to which it must give constructive support. Consequently we must solve two of the most complex problems facing us: the temporary protection of jobs in the case of those farmers who are not able to submit a development plan but who will have to continue working in agriculture until the end of their working lives. These make up the overwhelming majority of selfemployed workers in European agriculture: 78 % of EEC farms are below 20 hectares in size and therefore represent only 24 % of the total usable agricultural land; they are not in a position to submit a development plan and are obliged to continue working in agriculture until the end of their working lives for various reasons, such as the lack of alternative employment, the fact that they are too old to change, the lack of land, the lack of infrastructures and the lack of technical assistance. They are preserving jobs for themselves and for the members of their families without in any way burdening the non-agricultural labour market; they still account for a significant proportion of Community agricultural production, which is of high quality though the yield is low; they also help to protect the countryside and conserve the soil, and they contribute to the development of farm tourism.

We must therefore allow for a reduction to 70 % of the average comparable non-agricultural income, and also for national aid, as defined in Article 14 of Law number 159, will be backed up by Community measures and, finally, for integrated regional development plans to give priority to this employment sector.

Another complex problem is deciding upon a policy for young people, so as to guarantee the handover to the new generation in agriculture during the years 1985-1995. We are all well aware of the fact that the average age of people working in agriculture is high and that young people are unwilling to accept uncertainties and the discomforts of traditional agricultural

work. We must therefore ensure, in order to provide for a free and effective choice of jobs, that there will continue to be a CAP capable of guaranteeing comparable levels of income and progress. For this reason steps must be taken to plan for the organization of holiday and leisure activities comparable to those that exist for workers in the non-agricultural sector; there must also be further education for the purposes of social advancement and productive specialization; there must be socio-economic assistance, incentives — such as study grants — for those young people who wish to undertake courses in various specialized aspects of agriculture; farmers must be guaranteed special terms of credit; there must be preliminary plans and development plans aimed specifically at young single people and partnerships, as well as a genuine development contract with priority as regards access to EAGGF aid and the CAP in general.

In conclusion, Mr President, ladies and gentlemen, may I draw your attention for a moment to the absolute need to see that the proposed measures are accompanied at the productive farming level by appropriate measures for the processing and marketing stages, so as to reimburse the producer for the proportion of added value deriving from these activities, since otherwise it will not even be worth trying, using only the structural policy, to close the gap between farming incomes and those in the non-agricultural sector.

Here we must improve incentives for cooperation and various kinds of joint venture in agriculture, in particular by making use of the amendment to Regulation 335/77 which, as at present formulated, ultimately only benefits the non-agricultural sector. The Social Affairs Committee intended to make a contribution to Parliament's work in this field, and this is the burden of the amendments which I have had the privilege of putting before you on behalf of the Social Affairs Committee, and I hope that Parliament will be prepared to approve them.

President. — I call Mr Ansquer to present the opinion of the Committee on Budgets.

Mr Ansquer, draftsman of an opinion. — (F) Mr President, it was on 10 March that our committee adopted its opinion, at the request of the Committee on Agriculture, on the financial and budgetary aspects of the Commission proposals.

On the financial aspects, the Committee on Budgets firstly noted the considerable scale of these proposals, which will entail, over varying periods of five, ten or twenty-five years, expenditure of the order of 1 000 million EUA. It also noted that 60 % of the total cost of these proposals relates to two specific programmes, one concerning the development of agriculture in the West of Ireland, costing 224 million EUA, the other for the development of cattle and sheep rearing in

Ansquer

Italy, costing 378 million EUA. On the budgetary side, as a result of the relatively slow start to these schemes they are not expected to have any financial impact on the 1980 budget. Expenditure would start to be committed at a rate of 10 million EUA in the first year, rising to some 130 million EUA per year over the financial years from 1983 to 1985. It can be estimated that when in full operation these various schemes will account for about 20 % of the total expenditure of the EAGGF Guidance Section.

The Committee on Budgets, Mr President, was anxious to give its assessment of the financial effectiveness and the budgetary orthodoxy of the measures proposed. With regard to financial effectiveness, the Committee on Budgets notes that up to now the socio-structural directives which have been in force since 1972 have had varying degrees of success on account of the slowness in starting up the schemes and the wide variations in the use of appropriations between Member States. We have noticed in particular that since 1972 no appropriations have been committed or paid at all in respect of these schemes in Italy, that half the appropriations for hill farming have been used in the United Kingdom alone, and that Germany has had the benefit of a greater total amount of appropriations than France. I quote these few examples to show the difficulties of the procedure adopted in various countries. It is because of this disappointing effectiveness of the directives that the Commission has put forward proposals for improvements.

The Committee on Budgets thus suggests that the Commission should keep a more attentive and systematic watch than in the past on the actual effectiveness of the directives. We also call on the Commission to inform the Council and Parliament each year of any persistent difficulties in applying them. It is not, of course, our intention to accuse the Commission of bad management.

As regards the new, regionalized measures proposed by the Commission, our Committee on Budgets has been wondering about the advisability of a policy of far-reaching decentralization of Community restructuring activities in agriculture. It feels the need to warn the Commission against a certain diffusion or scattering of the Community effort and wonders whether there is not a danger that the specificity of local problems might be overlooked by the experts in Brussels. That is why the Committee on Budgets has advised the Commission to make a very careful study of this problem of decentralization before committing itself in practice on a systematic basis, so that the individual operations fit properly into an overall policy for improving agricultural structures.

Lastly, Mr President, there is the question of budgetary orthodoxy. Once again, the Committee on Budgets notes that the Commission of the Communities has included precise financial amounts in its draft regulations, which would have the effect of prejudicing the

annual decision by the budgetary authority. True to its principles, which are consistent on this point, the Committee on Budgets has thus felt it necessary to amend the draft regulations so as to make the appropriations they contain purely indicative.

For reasons of time, the Committee on Budgets had to deliver its opinion after the Committee on Agriculture had adopted its draft report, for which we offer Mrs Barbarella and the whole Committee on Agriculture our most sincere apologies. Under these circumstances, Mr President, our committee is obliged to put to the House in plenary session a number of amendments to the motion for a resolution, together with draft amendments to the texts of the regulations. It hopes that the Committee on Agriculture's rapporteur will be willing to support these amendments and that the whole House, Mr President, will adopt them.

President. — I call Mr Diana to speak on behalf of the Group of the European People's Party (CD).

Mr Diana. — (1) Mr President, it seems to me that to debate such important problems before such a small audience is really somewhat disheartening. What we are dealing with now, in fact, is not a mere aspect of the Common Agricultural Policy, but is rather the fundamental purpose of this Common Agricultural Policy as defined in Article 39 (a) of the Treaty of Rome, which says quite explicitly that the aim of the Common Agricultural Policy is 'to increase agricultural productivity'; immediately after that the Treaty then goes on to say, in paragraph (b), 'thus to ensure a fair standard of living for the agricultural community'. The means of achieving this aim are spelt out in the same article which speaks of 'promoting technical progress' and 'optimum utilization of the factors of production, in particular labour'. In the second paragraph of Article 39, meanwhile, where the factors that must be taken into consideration in working out the Common Agricultural Policy are mentioned, explicit allusion is made to the 'structural and natural disparities between the various agricultural regions' of the European Economic Community and the 'need to effect the appropriate adjustments by degrees'.

Specifying these aims as a priority matter indicates that measures to improve agricultural structures must be considered one of the cornerstones of the Common Agricultural Policy and an indispensable complement to the policy of market support which is mentioned immediately after the structural policy in the Treaty. What is more, I should say that the Stresa Conference had already arrived at these very same conclusions in 1958 when it stated quite unambiguously: 'A close correlation must be established between the structural policy and the market policy' and that 'improving the structures should help to narrow the gap between production costs and contribute to a rational orientation of production'.

Diana

If, 20 years after these events, we are still obliged to regret — as we hear it so often regretted in this Parliament — the existence of imbalances within the agricultural sector and the low incomes earned by farm workers as compared with workers in non-agricultural sectors, if today we are still faced with inadequate or irrational distribution of produce, so that there are still shortages in one or two sectors, we must at least admit in part that this derives from the delay with which the directives relating to socio-structural matters were approved by the Community in 1972 and the further delay until they were implemented by the Member States.

It can be seen from the data published by the Community that seven years after being implemented, Directive No 159 on modernization of agricultural structures has affected scarcely 1.4 % of Community farms, having attained its maximum effect in Germany, where 10 % of the farms have been modernized followed by the Netherlands and Denmark with 6 % each, then by Belgium, the United Kingdom and France and finally Italy, with almost 0 %. Putting aside the question of the irrelevance of the overall figure, it still seems to me that these data are worth comparing with other data, such as those for the distribution of farms in relation to surface area. This shows that farms greater than 10 hectares account for 71 % of the total in the United Kingdom, 69 % in Luxembourg, 68 % in Denmark and 64 % in Ireland, the bottom of the list being again Italy, where farms larger than 10 hectares represent scarcely 14 % of the total. This comparison shows to what extent the logic of Community directives has turned out in practice to be more favourable to the more advanced agricultural systems than to the less advanced ones. The result has not even been modest success in attaining the objective of redressing regional and sectoral imbalances, in fact I would say that to some extent the existing imbalances have actually got worse rather than better, and it could not be otherwise: in any race those who leave first usually arrive first at the finish, and this is exactly what has happened. We cannot overlook the fact that the various kinds of farms in the Community countries did not by any means start from the same base: under-capitalization, lack of infrastructure, fragmentation of holdings, a high percentage of persons occupied in agriculture, a lack of alternative non-agricultural work and a lack of processing and preserving industries for agricultural products are the evils which afflict some regions of the Community and are taking them further away from the ultimate aim of becoming efficient. The unnecessarily involved nature of the directives dealing with these matters and the lack of incentives, aggravated beyond any doubt by the inflation which all the Member States — some more than others — have experienced, during recent years have all helped to reduce even further the value of the one or two rare incentives provided for in these socio-structural directives.

On the other hand, the system of agricultural aid, even in terms of laws, has allowed for only minor changes in legislation in one or two countries, whereas in the case of others it has involved a substantial about turn with regard to the traditional forms of public intervention. The proposed reforms presented to us by the Commission tend on the whole in this direction, and to this extent they are welcome, though we believe that the proposed amendments will not help to eliminate one or two obstacles which have hitherto impeded the implementation of the directives themselves.

The report which Mrs Barbarella presented to us on behalf of the Committee on Agriculture — a report to which Members of the European People's Party have made very significant contributions and which we welcome — highlights numerous lacunae in the proposed reforms and suggests significant modifications and additions. I think that we can only hope that the vote will serve to round off this examination and discussion of the reform of the socio-structural directives which has been before us for at least a year, and with regard to which I think we must give a reply to the Commission at the earliest possible moment.

I have submitted only two amendments, the aim of which is to eliminate present imbalances, not only between countries but also within individual countries, and in particular in Italy and in France, where regional differences are still much more severe than in other Member States. What is more, we must also see to it that the Community's directives are not optional but compulsory in all the Member States, so that no-one can escape his obligations and create further disharmony. The legal department of the Council itself has said that it does not believe that a purely optional directive is in keeping with the fundamental aims of the Treaty of Rome and I think that it would be an extremely serious mistake if our Parliament did not give some kind of lead and make some suggestion in accordance with this. Consequently, I think that we ought to reconsider those aspects of the report upon which precise amendments have been put down.

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

Mr Provan. — Mr President, we believe that a good farm policy is good for the area in which it operates. And we believe that we need a good farm policy for the whole of Europe and the future benefit of Europe. But we must remind ourselves that farming itself cannot keep the countryside viable. We must look to other methods as well: forestry, tourism, light industries — in other words, a full-blown rural policy taking in every consideration and everything that happens in the countryside.

Provan

Mrs Barbarella is to be congratulated on the way she has conducted this report through the Committee on Agriculture, but the basic trouble with the proposals from the Commission, and also with Mrs Barbarella's report, is that they seek to prop up the existing agricultural framework in Europe.

What we need is a structural policy that will encourage a dynamic agriculture, an agriculture that can contribute to the entire economy of our Community. Agriculture must be allowed to compete alongside other industries: it must be allowed to invest in new techniques. And I ask this House: Have the present policies had a great deal of impact? Have the present policies tried to encourage agriculture to expand and really become a viable industry? I say to this House that perhaps we have been encouraging the opposite. In this report, we are in fact saying that what is required is to reduce the size of farm that will be eligible for assistance. We believe that to be wrong, because we believe that we must try and make the farming unit more viable, so as to give families a living in the countryside, rather than trying to prop them up with other forms of assistance.

We know that there are great differences in the Community between the northern areas and the Mediterranean areas, but perhaps there should be some form of national funding to provide assistance with problems. We welcome the integrated schemes that are suggested in the report and by the Commission, because they can have an overall economic impact that will lift those areas to the levels on which we want to see the agricultural industry operate. So, whilst welcoming these, we say, are there not problems that should be looked at by the national governments themselves? This has, I think, been pointed out by the Committee on Social Affairs and Employment when they say there is a social problem. If there is, it must be looked upon as a social problem, and not necessarily under the common agricultural policy. In the rural areas, we have regional problems, we have social problems and we have agricultural problems. Therefore we suggest that what we need is a proper *rural* policy that can be developed by bringing the rural areas into a proper economic framework, rather than leaving them dependent on the agricultural industry alone.

The Community cannot encourage inefficiency under the food and farm policy, therefore. If it requires capital to assist small farms that can never be viable units, that fact must be explained to the consumer, but consumers will not expect a farm and food policy to encourage inefficiency. They expect efficiency. I say to this House that we must try and encourage that as well, so that our end product is produced efficiently and reaches the consumer at the right price. We must therefore try and involve other industries in the development of the rural economy.

Now we believe that to achieve this we have got to secure greater coordination in Europe. We accept, and

recommend very strongly, that laws on land tenure and land laws in general should be examined and that we should aim at some form of coordination throughout Europe to this end. We must encourage land mobility; and we must try to coordinate agricultural credit within the Community, which is a fundamental aspect of structural policy as well, because we must not allow a structural policy to cause any form of distortion in the market. We must try and achieve this coordination, so that people throughout the Community realize that we are striving for fair and free competition.

All the amendments that have been tabled in my name and on behalf of my group are directed to this end, because we believe that we must have a coordinated approach towards the structural policies.

President. — I call Mr Martin.

Mr Martin. — (*F*) Mr President, ladies and gentlemen, the crisis at present affecting agriculture — and I am talking in particular about French agriculture — has taken on such dimensions that no-one can decently deny its existence. French agriculture has, it is true, been modernized, and how could it have been otherwise? But the price of this has been an enormous human and economic mess. In twenty years of the Common Market two million workers have been forced to leave the land and most of those who are left have no prospects for the future. This phenomenon has been accompanied by the continuing depopulation of rural areas and, what is even more serious for the future, a reduction in the area under cultivation at a time when millions of human beings around the world are starving to death.

Hundreds of thousands of farmers are doomed to fall by the wayside and others to lead a marginal existence or be driven sooner or later to the verge of bankruptcy as a result of the fall in incomes year by year planned by the European authorities. In 1980 farmers' incomes in France will fall for the seventh year running, and the size of this fall, at more than 10 %, will be a death blow for many of them. How can one invest, how can one run a farm efficiently, with falling incomes and increasing debts? In 1978, the debt burden in France amounted to 80 % of the value of the harvest over the agricultural sector as a whole. This is an intolerable situation. It has not, however, come about by chance. Nor is it due to increased productivity or agricultural surpluses. On the contrary, increasing productivity is perhaps the only way open to farmers on small and medium — sized holdings today if they are to lose a little less of their income each year — but at what cost in terms of hard work and increasing debts?

The truth is that this situation is due to the way in which work on the land is increasingly plundered by the big private concerns in trade and industry which

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occupy dominant positions upstream and downstream of agriculture. The French laws on agricultural guidance have never been anything other than the pernicious extension of this policy, coordinated in Brussels, which is applied in each Member State. The French Government in fact bears the grave responsibility of having agreed to implement, and indeed to aggravate, all the Commission's ruinous proposals. Thus, in view of this agricultural guidance law, the problems of land tenure, tenant farming and the price of land will be accentuated in our country by our government's proposals, and young farmers will find conditions for setting up all the more difficult.

French agriculture is based on family holdings. If we want France to have a rich and prosperous farming industry, capable of contributing to national economic development and to trade with the various countries of the Community and the rest of the world, these farmers must be given a decent livelihood. We cannot, as is the case today with regard in particular to the price proposals we have been given, offer them, as we say in our country, a firstclass funeral. We cannot accept the conception which amounts, in the name of competitiveness, to developing a two-tier farming system which would restrict aid for investment and modernization to those capable of becoming or who already are 'competitive' on the world market, while minute amounts of aid, mere crumbs or consolation prizes, would be given to the great mass of those with no chance of becoming profitable, the purpose being to make it easier for them to accept their fate.

Yes, there is indeed a logic behind the price and structural reform proposals put to us by the Commission. What is being proposed, in fact, is the continuation and intensification of the pernicious policy pursued for many years now. The suggested innovations in fact constitute a means of adapting the policy to the new framework within which agriculture is to be developed in accordance with the monopolists' needs. For our part, we cannot accept that. I would add, *à propos* of this, that the motion for a resolution which the French Socialist Members recently presented to the press and which was taken up by Mr Pisani in his recent interview with 'La Dépêche du Midi', itself contains elements which seriously threaten agriculture in our country. The restructuring, the structural adjustments proposed by the Commission, are in fact aimed, with the regulation of production prices, at nothing other than furthering the profits made by the multinationals and the transfer of wealth for their benefit alone.

You want to break French agriculture, in particular the agriculture of whole regions such as Languedoc-Roussillon or Brittany, just as, with the Davignon plan, you broke the steel industry, just as you have broken the coal mines or the shipbuilding industry! But that is a logic we cannot accept. And we find it all the more unacceptable in that it is accompanied by a plan for enlarging the Community to include, Greece, Spain and Portugal, which we categorically reject.

Indeed, what this proposed enlargement means, particularly in the case of Spain, is the death within a short time of whole regions such as my own or such as South-West France. It means ruin for thousands of wine growers who will be forced to grub up their vines. It means ruin for fruit growing and market gardening in the face of competition from Spanish growers, more because of the low labour costs than because of any climatic advantage. In numerical terms, the effect would be the loss of more than 25 000 jobs in Languedoc-Roussillon as a whole. The consequences of this enlargement would be equally serious in industry and in the services sector. How, then, can anyone dare to speak here about improving structures? The truth is that what the policy preached by the advocates of enlargement will mean is the destruction of tens of thousands of small family holdings. What Mr Provan has just said is indeed significant in this respect.

To conclude, the reasons and pretexts invoked for enlargement do not stand up to analysis, and we shall perhaps have occasion to come back to this point during the present part-session. The fact remains that you are trying to sacrifice thousands upon thousands of small farmers on the altar of this enlargement and the false arguments you are putting forward. This too is unacceptable. The French Communists and their allies cannot allow the future or the lack of future of their country's agriculture to be decided in Brussels. In a recent debate in the French Parliament we made constructive proposals for organizing French agriculture. These proposals are based on a completely different policy, involving in particular the development of the food and other agriculture based industries, proper price guarantees which take account of inflation and increases in production costs and lastly an active export policy.

Our country's family farmers, as well as the farm workers, have their rights. They have their dignity. They want a decent standard of living from their work, in a region they can call their own which is not being ruined by the whims of Community policy, restructuring and the flight from the land. We shall do whatever is necessary to ensure that French farmers, firstly through their struggle in France but also vis-à-vis the Community authorities, obtain a policy which meets their needs.

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

Mrs Martin. — (*F*) Mr President, ladies and gentlemen, the Liberal and Democratic Group to which I belong attaches particular importance to structural policy because it is in our view an essential complement to the Common Agricultural Policy, the policy of prices and markets. Its purpose is to provide a way of correcting the existing disparities affecting farmers in the various member countries, disparities between

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regions, between crops, and between individual farmers. By modernizing holdings, it aims to help farmers achieve living standards and incomes comparable with those of other socio-professional categories.

This is an ambitious objective which has, however, been fulfilled only very inadequately up to now because the directives have been implemented very slowly in certain Community countries and also because the scope of the directives themselves has been too restricted. And while the amendments proposed by the Commission are to be welcomed, it must also be said that in our view they are not likely to make any far-reaching difference. Allowing potentially viable holdings in a relatively unfavourable initial situation to have access to modernization plans is indeed a step forward, but this should be supplemented by allowing farmers to improve their income in stages, which would, in our view, make it possible in fact for greater numbers to have access to these modernization plans. Similarly, with regard to administration, every effort must be made to simplify procedures for the application of this directive. The abolition or restriction of investment aids for certain products, if applied abruptly without taking account of different regions or structures, is also contrary to the stated objectives. There are regions where the nature of the soil itself or the small size of holdings precludes any alternative to dairy production, for example. Even if there are surpluses, the Community cannot ignore these facts. To do so would be to go against a regional policy which the Community is otherwise in favour of and would lead to even greater desertification of areas already at a disadvantage, which is something we are nonetheless anxious to fight against.

I should also like to stress one point which is particularly dear to me and on which I should like to focus the Community's attention, namely the setting up of young farmers. Quite apart from the possible consequences for the agricultural sector if young people turned away from this profession, or the effect they would then have on the employment market, I ask myself what our country areas would be like without the presence of young people. Within a short time, if there were not enough farmers, there would no longer be any point in talking about regional policy, the rural environment or regional planning, because it would be too late. Now is the time to act to ensure the survival and the future of rural society. The directive on the cessation of farming will, it is true, by making land available, permit some restructuring with a view to the future needs of farmers setting up for the first time. But this is not sufficient, which is why I must press the Commission on this point: when are we going to have a directive on young farmers setting up for the first time?

I also share the rapporteur's view regarding the directive on socio-economic guidance and occupational training. We can but approve of the additions proposed by the Commission, but we must also stress its

shortcomings. Indeed, we agree with Mrs Barbarella that we must have a directive on research, education and training in the agricultural sector. This is of fundamental importance. We want to encourage as many young people as possible to set up in farming. We want them to be capable farmers. This means they must be given opportunities for training. Moreover, it is obvious that agriculture, like all sectors of the economy, constantly needs to adjust. That is why in my view priority must also be given to basic research.

I started by stressing the importance of structural policy to correct the imperfections of prices and market policy. I should like to conclude by stressing the need to coordinate these policies with regional and social policy measures, to ensure harmonious development of town and country and a balance between the various socio-professional categories. This I think, Mr President, is what the people of Europe want.

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

Mr Buchou. — (*F*) Mr President, I hardly need stress the importance of this debate. It is action with regard to agricultural structures that is likely to change the economic and social conditions for farming in the interests of greater harmonization between various products and regions. The measures proposed by the Commission are a logical continuation of those previously adopted by the Community under Article 39 of the Treaty of Rome, which says that account shall be taken in working out the agricultural policy of the structural disparities between the various agricultural regions.

Structural policy thus constitutes the essential complement to price policy and is an effective means of correcting inequalities. I shall not dwell on the administrative obstacles that certain speakers have already mentioned, but these obstacles cannot alone explain the modest level of results. Quite obviously, there has been something wrong with the mode of application. Was this because the Member States did not have the necessary funds to finance these structural measures, was it because Community red tape was ill adapted to certain Member States, or was it because the aids available were not sufficiently large to encourage farmers to apply for them? It was up to the Commission to answer these questions in order to clarify the position. It has given a reply, although only in part, with the proposals we have before us today and which have been examined by the Committee on Agriculture in the form of Mrs Barbarella's excellent report.

The Commission has indeed proposed easing the conditions to be met in future by holdings in line for development, by lowering the level of comparable income to be achieved on completion of development plans. We subscribe to this measure, which we had

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previously put forward ourselves, but certain measures to provide incentives for young farmers setting up for the first time would have been welcome in the present context of high unemployment. Following a careful examination of trends in the factors of production, the Commission should have introduced more flexibility not only in the eligibility thresholds for aid but also in the concept of development plans. Is it in fact realistic to design a uniform Community development plan to enable a farmer to achieve a certain level of income in one stage? In the present uncertain times it would be a good idea if the Commission turned its attention to the intermediate stages in developing holdings. It is widely recognized that the final objective can be approached via different intermediate stages, thus giving consideration to the natural diversity of Europe. By taking account in this way of both the medium-term objective and the intermediate stages leading up to it the Commission would be less likely to make the mistakes it has made in the past and is still making today. It is indeed ultimately a mistake to abolish, for budgetary reasons which mask political preoccupations, all investment aids for the dairy sector, for the pig farming sector and for the construction of glasshouses, although it is precisely these sectors which at present account for nearly 50 % of operations in the EAGGF Guidance Section. Restricting the Community and national aids granted to these three sectors would have unfortunate consequences for the development of agriculture and for correcting imbalances. The effect would be particularly painful in the countries or regions where agricultural structures are still out of date and in the less-favoured areas as a whole. These measures would in fact affect in particular the small farmers and would mean a serious reduction in the level of investment carried out in these holdings, with a consequent slow-down in the process of structural reform which we want to see.

Similarly, we have certain reservations with regard to the specific action programmes proposed recently by the Commission. We share, in fact, the rapporteur's view that these programmes bear no relation to any criteria for a lasting policy of regional intervention. There is a risk here of spreading benefits too thinly and of helping one region to the detriment of another, while losing sight of the overall conception which governed the design of the first structural directives.

We therefore recommend that the Commission should maintain the EAGGF Guidance Section in its role as an instrument for reforming agricultural structures and leave the Regional Fund and the Social Fund to operate in the fields for which they were intended, allowing, of course, for the necessary coordination. That is why we have not been able to subscribe to one of the rapporteur's proposals, which was to place the sector of agricultural vocational training under the Social Fund. The important thing is to respect the specific characteristics of agriculture, in accordance with the Treaties.

With regard to the technical measures, the Commission's first proposal aimed at lowering the target in respect of comparable income is in our view excellent. This is a step in the right direction. In our view, however, this target should be fixed even lower, at a rate below 50 %. With regard more particularly to Directive 160 on incentives for the cessation of farming, we are in favour of the increase in the rates for annuities and premiums but we are doubtful about the fact that no ceiling has been fixed for the premium, for which all farmers are eligible. In certain regions there is a need for incentives at a decent, i.e. updated, level for the cessation of farming. In our region, on the other hand, what is needed is to stem the depopulation of the countryside and to plan an overall employment policy to enable certain farmers to stay on the land.

These, Mr President, are our reflections in response to both the Commission's proposals and Mrs Barbarella's report, which we shall naturally be voting for as a whole. We note, however, the position of the Committee on Budgets presented by Mr Ansquer, and I was pleased to see that he restricted his comments to the technical financial aspects, aside from questions of principle, so as to ensure that the Committee on Budgets did not determine agricultural policy. In order to bring this general debate back to a more concrete level, I should like nonetheless to deplore the way in which the operation of activities based on these fundamental directives is far too often linked with irksome administrative requirements. In view of the considerable number of applications, which often exceed the capacity of the information and counselling services available to small farmers for formulating or applying development programmes, the number of farmers benefiting from aid measures is less than the number of those who could benefit. It would thus be desirable for the Community authorities to take a serious look not only at reforms in the way the directives are applied, as they have just done, but also at a reform in procedures, so that future agricultural policy in Europe should also truly belong to the people.

President. — I call Mr Coppieters

Mr Coppieters. — (NL) Mr President, I should like to draw particular attention to an aspect of agricultural policy which in my view raises a number of questions — the system of land re-allocation. I do not want to be entirely negative about this. Scientific studies have shown that in many cases land re-allocation has led to an improvement in gross crop production of around 10 %. Moreover, this system has undoubtedly contributed to the disappearance of easements, to structural improvements which reduce marginal losses and to a 3 to 4 % increase in usable farmland. However, over-emphasis on land re-allocation does raise difficulties.

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On the one hand, the Commission wants to adjust farm structures on the basis of this system with a view to increasing farm production. On the other, the Commission has been struggling for years with truly alarming surpluses and over-production, with 65 % of the European budget being swallowed up by all kinds of measures to farmers' incomes at a reasonable level. In my view a more selective policy should be initiated in which regions where farms are less suitable or unsuitable for expansion and land re-allocation can be helped in other ways, using methods which reduce the surpluses rather than increase them. I am thinking, in particular, of the surpluses in the dairy sector.

A second aspect of this problem is the heavy Community investment in land re-allocation, which naturally goes hand in hand with increases in the size of farms. This forces farmers to increase their capital outlay, thus making them more dependent on certain financial institutions. This makes it essential for farmers constantly to produce more in order to get sufficient return on their capital to secure a reasonable income. Many farmers will not contemplate such an approach and prefer to keep their farms mixed, with smaller risks spread over a wider area.

Thirdly, an agricultural policy which is more regionally orientated and selective can more effectively take account of the need for the preservation of the countryside and of the natural environment than a policy which merely encourages a large-scale, 'industrial' approach. Because of the great ecological hazards involved, the countryside should not be robbed of its small-scale characteristics by unnatural means. This would lead to the impoverishment of plant and animal life and the erosion of regional identity. I am therefore in favour of a more cautious land re-allocation policy which is selective and more clearly geared towards the regions.

Finally, it would be very helpful if the Commission could provide us with an assessment not just of the advantages of land re-allocation — and I do not want to minimize these — but also of the difficulties which this policy raises. The countless tensions and the many instances of human suffering resulting from compulsory land re-allocation meanwhile give us ample proof that the policy cannot yet be considered a resounding success.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — (DK) Mr President, by way of introduction, I should like to thank the main rapporteur, Carla Barbarella, for an exceptionally constructive and intelligent report. I should also like to thank the rapporteurs of the other committees and those who have already put forward the main viewpoints of the various political groups.

It is clear from what has been said that, even considering a series of amendments which, however, are not, in my view, fundamental, and even if there are a few minor differences of opinion between the various political groupings regarding the future role of structural policy in the context of agricultural policy, there is at this time very broad and solid agreement in favour of the proposals put forward by the Commission which do not merely involve fiddling around with a structural policy which only began this decade and has not as yet produced the desired result.

The structural policy we are proposing is the first step towards a new direction for the agricultural policy as a whole. For the time being, therefore, I agree with Mrs Barbarella that what is before us is not enough. It is a start, a direction. It is a step, and a not insignificant one, following on from the not insignificant Mediterranean package, which itself covered more areas of the Community than just the Mediterranean; in the Commission's view, this package should also cover Ireland, for example. After this very significant step which represented a break with tradition in the common agricultural policy, this next step clearly points the Commission's strategy. I grant you that it is not enough and I have never said it was enough. However, as Mrs Barbarella says herself, these things take time at the purely political level. What is important is that we should get moving in the right direction. As we know from experience, if we try to make it perfect right from the outset, we will get nowhere. If we can get this proposal through, like the Mediterranean proposal, we will have taken a substantial new step which we can build on in the future. I am therefore grateful for your support even if a fair number of amendments have been tabled. I should like to say a few words on these amendments, but I will not go into details since no one went into details during the debate.

What sort of strategy does the Commission have in mind? What we are trying to do is to work hand in hand with the national governments and the Social and Regional funds in an attempt finally to change the direction in which the Community and the common agricultural policy have been developing ever since they have existed, whereby the differences in income between various areas of the Community have not reduced but have in fact increased overall, as have the differences in incomes between the producers of different products.

I must admit that I regret the failure to acknowledge that the main area where incomes give most cause for concern is the dairy sector, which, for reasons I can understand in the immediate context but not in the longer term, enjoys the strident and partisan support of many in this House, although it should be patently obvious that there is no future in continuing to increase production when there is no market for the product in question. I must point out at this juncture to the Honourable Member of the French Communist Party, whose remarks, incidentally, were a little vague

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and were directed at everyone except his own party, that it cannot be in the interests of a farmer or a family holding — which after all is the type of holding most common in the other Member States — that is cannot be an acceptable and proper solution to their social problems to receive increasing economic aid from the rest of society in order to be able to produce a product that no one is likely to buy in larger quantities than are already available. In my view, the points made by the Honourable Member exhibited an amazing lack of consistency and logic.

To return to my main topic, which was also the main topic of the rapporteur for the Agricultural Committee and most of the previous speakers, i.e. the differences in incomes between the different geographical regions and different production units, I should like to say that I agree in principle with Mr Pisani that this imbalance cannot be rectified by means of a price policy. As we have seen over the last ten years, regardless of whether prices are fixed at a relatively high or a relatively moderate level, our price policy has in reality had no effect on the differences in incomes from the purely geographical point of view and between the various sectors of production. There can be no doubt about this. I fully appreciate the primary role played by price policy within the common agricultural policy with which Parliament is certainly familiar. Agricultural production and trade in agricultural products is not a monopoly for multinationals. In fact, in Europe most of it takes place via cooperatives — and here too I must repudiate the misleading observations made by the honourable Member of the French Communist Party. What we have here is economic activity, production with a view to sale under certain conditions and in connection with guarantee measures forming part of the common agricultural policy, and the price mechanism must play a major role as it affects the composition of production. The price policy can be used to promote certain sectors of production and slow down others. This affects consumption although we must never forget that the degree of flexibility is not very great and we must bear in mind that the cost of the final product as bought by the consumer includes many other elements in addition to the price paid to the farmer, particularly in a society where an increasing amount of processing is required before agricultural products can be sold. As we will discuss at length two weeks from now, price policy is also of considerable significance to the incomes of the vast majority of farmers.

Price policy is extremely important, but, as we have seen — and I think these are incontrovertible facts — regardless of how it is conducted, it cannot be used to solve the imbalances we have outlined here, which call for a structural policy.

I do not need to comment on Mr Pisani's discussion of which of the two types of policy is the most important or whether they are of equal importance. In my view, structural policy has been so seriously neglected that it

should automatically be given very high priority for some time I agree with Mr Pisani in principle, but there is no need for me to go into a theoretical discussion of which type of policy should have priority over the other. We must make massive efforts to promote structural policy within the common agricultural policy, since if we do not, we will not be able to solve the problems of imbalance, and it is essential that we do so, not only for the success of the common agricultural policy but also in order to re-establish a greater degree of confidence among our farmers whom we naturally have no interest in seeing leave agriculture and joining the ranks of the unemployed in the already over-populated cities.

It is, therefore, essential that we should go on with this structural policy. As I have already said, regardless of what we have proposed in the form of an overall package, it is not the last word in this matter, but nevertheless represents a significant step forward. In this proposal, we have acknowledged the fact that it is to a great extent only those parts of the Community where agriculture was already relatively efficient which make use of the structural measures introduced at the beginning of the 70s. I am not implying that there were not a large number of farmers who were not efficient and were considerably in need of help in these areas too — after all, we cannot see everything in terms of black and white — but there were certain areas of the Community which had administrative machinery both within agriculture and at governmental level, so that it was easier for them to take advantage of the relevant directives while other areas, such as Italy, were not so quick off the mark.

In adapting the three most important directives in this sector, we endeavoured to take account of these difficulties and to make it easier for these directives to be applied in those areas where they are most needed. We took the view that there should be a greater degree of flexibility in the objective to be achieved as regards agricultural incomes and we have introduced greater flexibility in this respect. As regards Directive No 159, the Committee and the rapporteur wish us to go still further and lay down the criteria to be fulfilled. We do not wholly agree with the rapporteur on this point. In my view, it would be a dangerous thing from the point of view of guaranteeing progress in efficiency and incomes in agriculture if the requirements and objectives of the Community as a whole were to be set too low. I am not therefore in favour of relaxing these income requirements over and above the proposals of a more general nature, since I do not think this would provide a solution to the problems which, as Mrs Barbarella also pointed out, exist in certain regions of the Community where aid is required for the development of agriculture, but where it will not be possible in the foreseeable future for people to achieve the income criteria which have been fixed at a general level. We are agreed on this point, but, in my view, we must be selective. We must take account of these regions and this is why we have, in addition to the general directive,

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introduced a far greater degree of selectivity with a view to being in a position to solve the problems which are more pronounced in some parts of the Community than in others, and, in my view, this greater selectivity must go hand in hand with the demand for flexibility, since it is often by means of selectivity that this requirement, which I realize is a justifiable one, can be fulfilled.

It can be fulfilled by means of special measures as we have proposed for certain selected regions. Thus, it is only a question of a proposal. We have selected just a few regions in order to make a start. Other regions must be included at a later date and in order for this to be possible I agree with Mrs Barbarella that the Commission must continue the studies it has already begun with a view to determining which structural difficulties need to be solved in all the Member States and their regions, regardless of whether it is a question of ownership, training or credit etc. — I will not go through the entire list any more than Mrs Barbarella did, but we realize that there is a whole series of aspects which should be taken into account when we are choosing areas and deciding what steps should be taken to solve the most acute problems.

This approach is in fact the same as that underlying the change over from 'individual' projects to projects which, as Mr Provan mentioned, can form part of an overall programme and be used in an attempt to solve a series of problems in a particular area, whether they relate to a type of production or a specific region.

I hope, therefore, that you will understand why the Commission has adopted a cautious attitude to the many amendments which have been tabled regarding income limits, since if flexibility and the watering down of criteria and conditions is taken so far that what we end up with in fact is simply transferring money to the individual Member States to use for whatever purpose they might, for political reasons, think fit at any particular time, we would have abandoned any structural policy objective since we would merely have reverted to a policy for the redistribution of money on the Community budget which would not do anything to promote the interest either of the Community as a whole or of the agricultural policy. We must conduct a purposeful policy, and this demands not only flexibility but also selectivity.

The Committee on Budgets and Mr Buchou have warned us that with this selectivity, whereby we take various regions, such as the Mediterranean, Ireland, South Belgium or Greenland, we are casting our net too widely and are spreading the amounts available to us too thinly. I am aware of this difficulty. I admit that I agree with many Members of this Parliament that the budgetary situation cannot be the final word on the matter, but we all realize that, at present, we are living under restricted and difficult budgetary conditions. For this reason, we cannot disregard budgetary con-

siderations and the problem therefore is that on the one hand we want selectivity, we want to concentrate our efforts in those areas where it is necessary and at the same time we want to avoid spreading the funds available at a particular time so thinly that we produce no results. It was in fact these considerations which led us to make our first step a concentrated programme for the Mediterranean area and Ireland. Now we are going a step further in that we hope and expect that Parliament and the Council, by means of the policy the Community is conducting in connection with surplus production, particularly in the dairy sector, will play a part in changing the budgetary situation and releasing money for use in the structural sector since there is a third objective which a revised structural policy should also fulfil, over and above the two I have already described, i.e. a better balance on the markets. Price policy can do something, but since the incomes question is also an influencing factor, we know that it is not enough by itself. We must therefore also make use of structural policy with a view to establishing a better balance in production in the agricultural sector, which it would be perfectly reasonable to maintain and increase, but with the proviso that the stress is shifted from products subject to structural surpluses, such as dairy products to other products, and here structural policy can help.

We think, therefore, that the proposals we have put forward regarding the restriction of structural aid to certain sectors, particularly the dairy sector, are sound sense. How can one justify investing public money in a type of production for which there is no longer a market or which cannot be sold without budgetary consequences, which no political body within the Community can accept?

Is it not a better idea that funds should be used to help where this is possible rather than to reorganize production? Having said this, however, I am naturally fully prepared to admit, as I said during the last debate on agricultural questions in this Parliament, that I realize perfectly well that there are areas in this Community — though they are not as widespread as is often claimed here — where there is no alternative to dairy production and we must naturally take this into account when drawing up all our final proposals since in cases where there is no alternative to dairy production, aid must also be provided with a view to making this production efficient and ensuring that it provides the necessary income for the Member States.

However, it is not easy to have general rules from which large areas of the Community are exempt for the restriction of investment aid to the dairy sector. This should be done on an *ad hoc* basis. The Commission's view regarding aid to pig production is less clear-cut. Thirdly, in our view, providing aid for the development of the production of fruit and vegetables in heated greenhouses, which is extremely energy consuming, is also a misguided form of investment.

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I have gone over the most important points on the basis of a fundamental approach to the problem and also stated my views — at least in principle — regarding the amendments tabled. I will merely add that I do not think that effectiveness and scale necessarily go hand in hand. The country I come from has experienced a farmers' movement which has brought about unusually effective agricultural production over a limited area. There is no direct relationship between scale and effectiveness. Nevertheless, large areas of land must be made available for the development of agricultural holdings in various of our Member States. There is, therefore, a very close link between Directive No 159 and No 160. We do not think that the application of Directive No 160 should be made optional. In our view, it must be a condition, not merely for reasons of principle, but for substantive reasons, that it should be applied in all the Member States for the reasons I have mentioned. We think that the aid should naturally correspond to the pension which the farmers could otherwise obtain and we are prepared to consider the various proposals which have been tabled with a view to achieving a reasonable result.

In connection with Directive No 268 we are also prepared to discuss the question of agricultural land which involves the right to monetary compensatory amounts, and other specific problems which have been brought up both by the rapporteur and in the amendments tabled by individual members or political groups, provided that the basic principles I have attempted to stress here today are respected. Provided these principles are observed, we are prepared to be flexible, but we will not go along with watering down the Community's structural policy so as to make it a policy for the re-distribution of money and not a purposeful policy clearly aimed at promoting efficiency in the less developed areas of European agriculture. It is in accordance with the main principles of the Treaty that we should work towards establishing a better balance between the various production sectors. As long as we guarantee that these objectives are given pride of place we can also discuss flexibility and the selectivity which, I know, is difficult to put into practice in a Community which always wants anything done in one place to be done everywhere else too. If we want an effective structural policy, we must accept that we solve the problems in a particular area and that this does not necessarily mean we have the same rules for the Community as a whole. This principle of selectivity, which is new to these proposals, is something which I regard as of primary importance. This is how we can solve the problem of flexibility. It is also how we can get to the roots of those problems which are really of a social nature but which agricultural policy must also cover, although this is, I admit, a matter for the national governments too. The Community Structural Policy in the agricultural sector is not a miracle cure. Nobody should think it is. It is an aid to self help. It is an attempt to initiate a new development with a view to es-

tablishing a better balance. This will also require an effort on the part of the national authorities and via the Regional and Social Funds.

(Applause)

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

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

IN THE CHAIR: MR DE FERRANTI

Vice-President

President. — The sitting is resumed.

I call Mr Albers on a point of order.

Mr Albers. — *(NL)* Mr President, I should like to raise a point in connection with Article 19 of Rules of Procedure, according to which a full report must be made available after every sitting. I am surprised that although the results of yesterday's roll-call vote have been published in figures, the report of our proceedings does not mention the names of those who voted for and against the motion and of those who abstained. In view of the confusion resulting from electronic voting, I think we should make it a firm rule to make a list available for everyone as soon as an electronic roll-call vote has been held; at all events, those who are unable to consult this list should be able to find the names of the voters in the report on the proceedings. I hope that account will be taken of this request in future.

President. — Mr Albers, the names are certainly included in all the editions of the minutes. I shall, however, take note of your remarks, because I am sure many Members share your concern. We must have the best possible procedure for ensuring that the names are recorded as rapidly as possible after a roll-call vote.

8. Votes

President. — The next item is the vote on motions for resolutions on which the debate has been closed.

President

We shall first consider the motion for a resolution in the Damseaux report (Doc. 1-625/79): Competition policy.

I put paragraphs 1 to 8 the vote.

Paragraphs 1 to 8 are adopted.

After paragraph 8, I have Amendment No 1, tabled by Mr Schwartzberg and seeking to add a new paragraph as follows:

- 8a. Believes that the above regulation should be fully consistent with the guidelines for a European air transport policy, on which the appropriate committee of Parliament is drawing up a special report.

What is the rapporteur's position?

Mr Damseaux, rapporteur. — (F) Mr President, Mr Schwartzberg's amendment raises the whole issue of the balance between private and nationalized companies. We shall have an opportunity to discuss this when we consider his report. I do not think there is any call to get the matter over and done with today. I therefore ask that the amendment be rejected.

President. — I put Amendment No 1 to the vote. Amendment No 1 is rejected.

I put paragraphs 9 and 10 to the vote.

Paragraphs 9 and 10 are adopted.

On paragraph 11, I have Amendment No 4, tabled by Mr de Ferranti, Mr Hopper, Mr von Wogau and Mr Beazley and seeking to replace this paragraph with a new text as follows:

11. Draws attention to the need to make progress with the elimination of technical, administrative and legislative barriers to trade under Article 100 of the EEC Treaty, with particular emphasis on the political decisions that this requires.

What is the rapporteur's positions?

Mr Damseaux, rapporteur. — (F) Mr President, this amendment challenges an important right of the House. We should not query the entire simplified procedure just because the first Commission proposal, based on Article 155 of the EEC Treaty and dealing with goods for the construction industry, has created some problems for our friends in the United Kingdom. I ask that the amendment be rejected.

President. — I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

I put paragraphs 12 to 19 to the vote.

Paragraphs 12 to 19 are adopted.

On paragraph 20, I have Amendment No 3, tabled by Mr Hopper and seeking to amend this paragraph as follows:

Considers in general that the procedure followed for enforcement of the rules on competition laid down in the Treaties needs clarification and amplification so that it will work fairly for the parties and others concerned; considers, furthermore, that the procedure in question often seems . . .
(rest unchanged).

What is the rapporteur's position?

Mr Damseaux, rapporteur. — Mr President, this amendment does not add anything to the motion for a resolution, but the French translation is not appropriate, so I can support the amendment in the English text while asking that a more accurate translation be found, especially for the word '*fairly*'.

President. — We shall make sure that the French translation is in accordance with the English text.

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraph 20, as amended, to the vote.

Paragraph 20 is adopted.

I put paragraphs 21 and 22 to the vote.

Paragraphs 21 and 22 are adopted.

After paragraph 22, I have Amendment No 2, tabled by Mr Schwartzberg and seeking to add three new paragraphs as follows:

22a. Ask that high priority be given in the Commission programme to devising a means of control aimed at preventing concentration, to measures to regulate transfer prices and, more generally, to the monitoring of multinational activities;

22b. Recommends that, to this end, the means and instruments available to the Commission in this field should be strengthened;

22c. Hopes that workers' representatives will be more closely involved in the work on competition policy.

What is the rapporteur's position?

Mr Damseaux, rapporteur. — (F) Mr Schwartzberg was good enough to share my view that this debate should not degenerate into an ideological struggle. This Parliament has always made an effort to consider all aspects of competition policy on an equal basis. Consequently, if priority were to be given along purely doctrinaire lines, this would upset the balance of the motion and deprive it of objectivity in my view. It is for this reason that I have to ask the House to reject this amendment.

President. — I put Amendment No 2 to the vote.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Amendment No 2 is rejected.

I put paragraph 23 to the vote.

Paragraph 23 is adopted.

I put to the vote the amended motion for a resolution as a whole.

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution in the Spinelli report (Doc. 1-840/79): Loans to promote investment in the Community.

The resolution is adopted.¹

President. — We shall now consider the *Beumer et al.* motion for a resolution (Doc. 1-4/80): Enterprises and governments in international economic activity.

I call Mr Lange on a point of order.

Mr Lange, Chairman of the Committee on Budgets. (D) Mr President, ladies and gentlemen, I want to make one last attempt to appeal to the good sense of the authors of this motion. After all, although there has been no debate on this matter, we have tabled six amendments to the motion for a resolution put forward by the Group of the European People's Party. I am not sure that the Rules of Procedure allow this, but if we overlook this fact for the moment, I think the number of amendments clearly shows how sketchy the whole thing is and you ought to consider referring it in fact to committee, so that the motion and what it contains can be discussed there. As far as I am concerned — and this goes also for the Socialist Group — I have to say that unless this is decided we shall be forced on account of the form and the shady proce-

dure to reject both the motion and every single amendment to it, even though to some extent we agree on the content.

That is all I wanted to say, Mr President, and I hope that the Members in the Group of the European People's Party will be understanding enough to be helpful and accommodating on this matter, so that we can overcome these unnecessary difficulties.

President. — As a Member has asked leave to move reference to committee, one speaker may speak and one against.

I call Mr Jackson to speak in favour.

Mr. C. Jackson. — Mr President, I believe this resolution is unjustifiably biased against multinationals without evidence and I think that, rather than adopting the resolution at the present moment, a more proper course for this Parliament would be to investigate the matter first. Therefore I think it is proper to refer the resolution to the committee for full investigation.

President. — I call Mr De Goede.

Mr De Goede. — (NL) Mr President, the debate took place yesterday. What we should now be doing is discussing the amendments, but I did not receive the Dutch version of them until the lunch interval. As Mr Lange said, I think it would be quite out of order if we voted now. You must at the very least defer the vote or refer the motion to committee.

President. — I call Mr Klepsch to speak against the proposal.

Mr Klepsch. — (D) Mr President, why do we have to vote on the same thing again? The point of this morning's vote was to decide whether the House was going to vote on this motion this afternoon or not. If you ask me, the Rules of Procedure are being interpreted in quite a remarkable fashion if we have to vote again on whether to have a vote or not. We took this decision in accordance with the Rules of Procedure this morning. Mr Lange has added nothing to what he said earlier today.

President. — I put to the vote the proposal that this item be referred to committee.

The proposal is adopted.

(Applause from various quarters)

President. — We shall now consider the *Pedini et al.* motion for a resolution (Doc. 1-792/79): Uniform European passport.

I put the seven recitals of the preamble to the vote.

The seven recitals of the preamble are approved.

After these recitals, I have Amendment No 1, tabled by Mr Coppieters and seeking to add the following recital:

- considering that the introduction of a uniform European passport offers a unique opportunity for a Community-oriented cultural and social policy, in particular to assist young people, migrant workers and all European citizens over the age of sixty.

What is the rapporteur's position?

Mr Pedini, rapporteur. — (I) Mr President, as I said this morning, I am in favour of this amendment. However, I would ask Mr Coppieters if he would agree to replacing the adjective *unique* by *positive*, so that the text would then read:

Considering that the introduction of a uniform European passport offers a unique opportunity for a Community-oriented cultural and social policy . . .

I can accept the amendment on these terms and shall put it to my committee.

President. — Does Mr Coppieters agree?

Mr Coppieters. — (NL) I agree, Mr President.

President. — I put Amendment No 1, as orally amended by the rapporteur, to the vote.

Amendment No 1, thus amended, is adopted.

I put paragraphs 1 and 2 to the vote.

Paragraphs 1 and 2 are adopted.

After paragraph 2, I have two amendments, each tabled by Mr Coppieters and seeking to add a new paragraph:

— Amendment No 2:

- 2a. Instructs its Committee on Youth, Education, Culture, Information and Sport to draw up specific provisions to give holders of a uniform European passport under twenty-five and over sixty the right of free access to all public museums, exhibitions, monuments, historic buildings and areas of great natural beauty;

— Amendment No 3:

- 2b. Instructs its committee responsible and committee asked for an opinion to grant holders of a uniform European passport over sixty an automatic reduction of fifty percent on all forms of public transport by land, sea and air, available in the Member States, as well as on subscription and connection charges to public telecommunications media, such as telephone, radio and television, in order to counteract the social alienation of these citizens of the Member States.

What is the rapporteur's position?

Mr Pedini, rapporteur. — (I) Mr President, I would ask Mr Coppieters not to insist on these amendments because they go *ultra petitem*; in other words, they introduce aspects which have no direct connection with the question of the passport.

In view of the importance of the proposal, however, I would ask Mr Coppieters to consider a channel other than the tabling of amendments to bring this matter to the attention of the Committee on Youth, Education, Culture, Information and Sport.

President. — I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

I put paragraphs 3 to 6 to the vote.

Paragraphs 3 to 6 are approved.

Explanations of vote are permitted now.

I call Mrs Hammerich.

Mrs Hammerich. — (DK) Mr President, I should like to make an explanation of vote, since Mr Tindemans this morning expressed concern and resentment that I should have said that many Danes were in favour of a Scandinavian passport union, such as we have, but were against an EEC passport union. Mr Tindemans stated that this was discriminatory, and I should like briefly to clear up this misunderstanding.

Of course we are against discrimination. Of course we do not feel that Scandinavians are better people than Central Europeans. It is simply that an EEC passport union is just one move in a wider plan — and Mr Tindemans knows this — to achieve an EEC union with large-scale enforced harmonization and regimentation. In other words, a union in which the large countries dominate the small, and with a major loss of

Hammerich

sovereignty. That is different from the Nordic cooperation within a passport union, which, proceeds quietly and peacefully.

I just wanted to say that, Mr Tindemans, so that you do not go on thinking that we want to discriminate against EEC nationals. It is a question of systems, and we are against an EEC union.

President. — I call Mr Chambeiron.

Mr Chambeiron. — (F) Mr President, I want to outline briefly the reasons why the French Communists feel they cannot vote for the motion for a resolution on a uniform European passport.

Of course, we hope that ways to allow people to circulate more freely within the Community will be developed, and any measure to bring people closer together gets our full support.

But is this really what it is all about? I have no doubt that some of the Members are inspired by this feeling but I could not help noticing this morning, when I was listening to some of the speeches, that the real purpose of a European passport was to emphasize once again a supranational ideal which we cannot accept.

Be that as it may, this is not where our real opposition lies. What worries us is what we heard this morning from the author of the motion who explained that the passport should be designed so that it could be more easily used with data bases. Now, we all know, ladies and gentlemen, that advances in computer technology over the last few years have produced a series of official projects to tighten controls on individuals and to assemble data about them which until now had been inaccessible. Because we are concerned about the rights of our citizens, we cannot give our backing to projects which one day might smother these rights.

(Laughter and protests from the Group of the European People's Party)

You Christian-Democrats ought to be a bit more shamefaced, after being told yesterday that you had a former Nazi in your group!

(Applause from the extreme left)

Do you not think that would be a better idea? If I were you in the Christian-Democratic Group, I would keep quiet about it. When you have taken in someone with blood on his hands, you have no right to carry on the way you have!

President. — I am sorry but your three minutes are up.

I call Mr von der Vring.

Mr von der Vring. — (D) Mr President, on this subject of the European passport, I want to make it quite clear that I am very much against the idea of turning this vote into a test of people's European convictions.

A Europe consisting of butter mountains and *laissez-faire* industrial policies and wrapped up in a European passport is not the kind of Europe we have in mind or the kind of Europe for which we want a passport of this type.

(Applause from various quarters)

There are some Members here who play to the cocktail set and who would be quite content with a European passport and a European driving licence. But anyone who wants his ideas to be judged by the working population cannot turn round to the voters and say: Europe sends you its best wishes, along with a driving licence and a passport, and wishes all you unemployed British steelworkers all the best for the future. We are against this. We want a link to be established between this morning's vote and yesterday's vote on urgency dealing with European solidarity. We are against hollow-sounding rhetoric about European patriotism. I am in favour of a European passport but am against its being used as a figleaf to cover up a lack of European solidarity.

(Applause from various quarters on the left)

President. — I call Mr Tindemans.

Mr Tindemans. — (NL) It is for a personal statement that I take this liberty of asking to speak, Mr President. Mrs Hammerich quoted me and I take note that she is against any form of discrimination. I believe that we are as equally worthy as the others whom she mentioned and who apparently enjoy the benefits of some kind of passport union. This is a fine thing but I must protest against her statement that the European union which we here — and I include myself — are advocating will mean that the small countries are dominated by the large ones. This was never the idea and we should never accept such a thing.

I was among the few people — even among the Members of this Parliament — who in recent weeks protested against any kind of directorate in the European Community.

(Applause from various quarters on the right and centre)

President. — I call Mr Coppieters.

Mr Coppieters. — (NL) Mr President, I am sorry that you did not give me the opportunity just now to withdraw Amendments Nos 2 and 3 which I had tabled. You went straight on to the voting, but by accepting my first amendment the Assembly approved my line of thinking. I was ready to accept new initiatives. I think it is a pity that you allowed the development of this line of thought to be rejected without giving me a chance to consider Mr Pedini's proposal.

President. — I call Mr Kirk.

Mr Kirk. — (DK) Mr President, I did not in fact want to speak, but in view of Mrs Hammerich's comments I feel I have to say something, since I do not think she put the matter in the right perspective.

I am in favour of a European passport, but I cannot accept that this should be used as a step towards something wider-ranging. The aim of having a European passport is to solve some practical problems confronting the people of Europe, so that they can cross frontiers more easily. I would also point out that the experience referred to by Mrs Hammerich with the Nordic passport union has shown that it is not a step towards something bigger. Why should it be so with the European Community? However, I think that a European passport can help to solve some practical problems for our fellow-citizens, and that is why I shall be voting in favour.

President. — I call Mr Van Minnen.

Mr Van Minnen. — (NL) I want to state briefly why I shall be abstaining. I shall do so because in my view this uniform passport has little to do with the reality which ordinary travellers nowadays have to put up with in the form of increasingly stringent border controls. However nice it all sounds, this 'uniform passport' provides absolutely no guarantee that border checks within the Community will become easier, and yet this is the only thing we have to strive for. If you ask me, this document is even less than a figleaf.

And what is more, there is the risk of its being the first step towards some kind of compulsory European identity card. There are still some countries in Europe where people are not required to carry identity cards. I want to have no part in getting this introduced through the back door.

I shall be able to vote for a European passport only when genuine freedom of movement in Europe can be guaranteed.

President. — I call Mr Megahy.

Mr Megahy. — Mr President, I wish to state my reasons for voting against this resolution. In doing so I think I can confidently state that I am speaking on behalf of my colleagues in the British Labour Group, because we were committed in our election manifesto to opposing any move towards a federal Europe and European unification. We were committed to campaigning for the restoration to national governments of the power that was surrendered to the EEC but should remain with national governments. I see this motion, and the language in which it is couched, as a move towards a federal Europe. I think that a passport should reflect political realities. You should have a state first and then a passport. You should not attempt to use a passport as a means of furthering a political objective.

For these reasons therefore, Mr President, I and other members of my group will be voting against this resolution.

(Mixed reactions)

President. — I call Mr Albers.

Mr Albers. — (NL) I cannot say how sorry I am, Mr President, that I cannot bring myself to vote in favour of this motion. Naturally I am all for a European passport, but after what I heard this morning — especially from Mr Habsburg who went on about European patriotism and argued that Europe would become more tangible with a passport — I really wonder like our Communist colleagues just what he was driving at. Does Europe have to become tangible?

Mr Rogers said that the people of Wales could become a nation of gypsies. What are gypsies supposed to do with a European passport? I shall not vote for the motion but shall abstain instead.

President. — I call Mr Chambeiron on a point of order.

Mr Chambeiron. — Mr President, I shall be straightforward and to the point. I am not one of those Members who interrupt the others. I am in the habit of listening to opinions which differ drastically from mine and — perhaps because of the way I was brought up — I am not in the habit of interrupting other people.

I just wanted to say, Mr President, that the interruptions are ascribed to the speaking time which was allotted to me. In the normal course of events I was entitled to three minutes, but I did not use all my time. Since you took it into your head to apply the Rules of Procedure in a certain fashion, Mr President, allow me to remind you — and I am beginning to know my way round the Rules of Procedure because I am on the Committee on the Rules of Procedure and Peti-

Chambeiron

tions — of the last paragraph of Rule 31(2) which states:

A Member who asks to make a personal statement shall be heard at the end of the discussion of the item of the agenda being dealt with.

What is sauce for the goose is sauce for the gander, Mr President, on both sides of the House!

(Applause from various quarters on the left)

President. — I call Mrs Viehoff.

Mrs Viehoff. — *(NL)* Mr President, I want to be entirely disassociated from the pretentious utterings we heard this morning about the introduction of a European passport. I shall not go as far as to vote against the motion, since I think that there are others in this Parliament who want nothing to do with what we heard and who are nevertheless in favour of a European passport. Those who made such a to-do about the passport this morning just do not want to know when it comes to the fate of literally thousands of people, in Wales and in other parts of the Community. I shall not vote against the motion, but I really had to say this.

President. — I call Mr Rogers.

Mr Rogers. — Mr President, I would like to explain that I will be voting against the resolution. Mr Megahy has mentioned the basic political ideology behind the reason for voting against, and I want to support what he has said. However, over and above that, I must vote against it because I feel that otherwise I should be very much letting down the British people. I certainly would not be helping Mrs Thatcher at all in the nationalist stance she is presently adopting. She is continually saying at the moment, seemingly converted on the road to Strasbourg, that she wants to take the United Kingdom out of the Community unless there is just return *(interruptions from the floor)*, and I obviously must support the revered leader of the magnificent government we have. I would be very, very un-British if I did not support Mrs Thatcher in the way she is behaving at the moment.

(Cries from the European Democratic Group)

President. — I call Mr de Courcy Ling on a point of order.

Mr de Courcy Ling. — Mr President, I must very seriously ask you to urge the last speaker to withdraw the entirely inaccurate and misleading remarks attributed to the Prime Minister of one of the Member States.

(Applause from the European Democratic Group)

President. — I call Mr Cottrell on a point of order.

Mr Cottrell. — Mr President, I think it is extremely wrong that Mr Rogers should seek deliberately to mislead Members of this House by making a statement he knows to be untrue. If he wants accurate advice or information, I, as a journalist, will go downstairs, buy copies of yesterday's newspapers and show him the speech that Mrs Thatcher made on French television.

President. — I call Mr Howell for a personal statement.

Mr. Howell. — Mr President, first of all we have heard a statement from a Vice-President of this Parliament, Mr Alan Rogers, who has now made, on two consecutive days, two different statements, the first suggesting that Mrs Thatcher would very much like to get us out of the Community. I would like to put on record now that in today's *Daily Telegraph* Mrs Thatcher is quoted as saying that she does not want Britain to come out.

Yesterday, in this Chamber, Mr Rogers made the following assertion in the debate:

It is no good people shaking their heads. If they believe that votes are not important, then they believe that democracy is not important. Now I can expect that from the Conservative Party sitting opposite.

Mr President, yesterday, when I raised this matter with Mr Rogers after the debate, he said how sorry he was that he had made this statement and stated that he would retract it in the Chamber. I am now asking Mr Rogers to retract that statement, together with the statement he has just made concerning the British Conservative leader, which is totally against everything that is right and proper. I would very much welcome a comment from Mr Rogers on this point.

President. — Mr Rogers, do you wish to make a personal statement as it is the end of this item on the agenda?

Mr Rogers. — I did agree with Mr Howell that I would look at the transcript. I have not seen it. As he has read it out, I certainly do not intend to withdraw what I said. However, Mr President, with regard to his second request, if I have offended Mrs Thatcher, I really am sorry. I would not like to have offended the dear lady, and I really do withdraw it. I am sorry that I have misinterpreted her; I think most of Europe must have also misinterpreted her over the last few weeks, but that is coincidental. So if it is necessary to withdraw what I said about Mrs Thatcher, I do so.

President. — I put to the vote the amended motion for a resolution as a whole.

The resolution is adopted.

(Applause from the centre and the right)

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President. — I put to the vote the *motion for a resolution (Doc. 1-812/79) by the Liberal and Democratic Group: Budgetization of the European Development Fund.*

The resolution is adopted.

9. *Membership of committees*

President. — I have received from the Group of the European People's Party (CD-Group) a request for the appointment of Mr Modiano to the Committee on Legal Affairs to replace Mr Zucchini and Mr Zucchini to the Committee on Regional Policy and Regional Planning to replace Mr Modiano.

Are there any objections?

These appointments are ratified.

10. *Agricultural structures policy (continuation)*

President. — The next item is the continuation of the debate on the report by Mrs Barbarella (Doc. 1-824/79).

I call Mr Gatto.

Mr Gatto. — *(I)* Mr President, I hope I may be allowed first of all to congratulate Mrs Barbarella on her report, which, apart from being a valuable piece of research and analysis, gives a sound idea of the present outlook with which I largely agree. Nevertheless, her report has been somewhat distorted as a consequence of the submission and approval by the Committee on Agriculture of two amendments to paragraphs 22 and 23 of the original text which were presented by Mr Diana. Because of this, the Socialist Group felt itself obliged to present two further amendments, signed by myself and by other Members of our group and designed to restore the basic concepts originally proposed by Mrs Barbarella: we shall wait to see whether they are approved before deciding on our final vote.

The policy of reform of agricultural structures is of primary importance for the Mediterranean countries of the Community.

At the Stresa Conference in 1958, the then President of the Commission, Mr Mansholt, said that the Community's agricultural policy, quite apart from the question of controlling prices, should essentially take the form of direct intervention designed to amend existing structures. Hitherto, however, this attitude — or rather, this wise advice — has not prevailed, and even today Community expenditure is almost exclusively concerned with intervention on prices and in markets, leaving the question of structural intervention to the initiative of the individual countries, with all their limitations and their deficiencies.

The consequence of the fact that such policies have prevailed and have been implemented over the years is that the disparity between regions and Member States with backward and fragmented agricultural systems and those with stronger agricultural systems and whose produce is better protected production has continued to worsen, to the point where it threatens to undermine the Community.

It is our duty to give credit to the Commission in general and to Mr Gundelach in particular, for having acknowledged these dangers and for having raised the problem of the serious imbalances in the Community agricultural policy and the need to revise this policy in the more general light of the adaptation and development of the sociostructural policy of the Community. But I cannot help pointing out that the Community's actions over recent years have not been in accord with these requirements, since they have been concerned in the main with the problem of prices.

This policy of the Community's consisting of limited intervention in the sector of markets and prices, has fallen short of its economic objectives, and even more so of its social objectives.

The truth is that the agricultural policy, as it has been pieced together, has not only not maintained the incomes of small farmers but has not even made it possible, as is required by the spirit of the Treaty, to modernize farms and thus reduce production and marketing costs. This would have made it possible to fix prices at the lowest levels, at the most favourable levels for consumers and at the most competitive levels in the international market, but still at such a level that, taking account of the significant exodus from the land by many agricultural workers, those who remained would be guaranteed individual incomes which were closer to those earned by workers in other industrial sectors.

The trend in EAGGF expenditure clearly shows to what extent emphasis has been placed on the guarantee section and hence on the prices policy, to the detriment of the guidance section and hence of the policy of improving structures.

Gatto

This unilateral policy implemented by the Community authorities, apart from having encouraged the creation of costly and undesirable surpluses and having led to a waste of money which has not even benefited farm-workers themselves, has also accentuated the structural imbalances in European agriculture.

This kind of policy has forced farmers who wished to raise their incomes to produce things for which there was no demand, thus obliging the consumer — that is the larger and less well-off families — to bear the costs of supporting the price of these products.

Thus, the farmer who is producing cereals, milk and dairy products, though he is already producing a quantity of such products which is vastly in excess of demand, continues to produce more because, thanks to subsidies and price support, he is sure of being able to sell his produce and get a price for it that is almost equal to the price fixed by the governments themselves.

Obviously all this has brought with it huge burdens of a social nature.

My country, along with others in a similar situation, has paid a social price. Italian agriculture, just like the agriculture of other countries and regions with similar special characteristics, was supposed to be given proportionately greater aid: in fact it has been amongst the most discriminated against. I don't want anyone to think that this is a speech in defence of national interests in the worst sense, because I believe that to defend the interests of significantly less favoured regions is to defend the achievement of one of the fundamental aims of the entire Community. Once again we have seen, during the process of European integration, a transfer of wealth from the poorest region to the richer regions. In fact, the south of Italy would seem to be even more discriminated against, inasmuch as while it includes approximately 40 % of the agricultural work-force in Italy, it receives only 25 % of Community investment.

What is more, how could the originators of the Community agricultural policy hope for a harmonic and balanced development of the various European regions when priority was given to organizing markets rather than to improving agricultural structures of vital importance to the south of Italy, and when precedence was given to the organization of markets for products — cereals, meat, milk — which were of greatest significance in the richer regions of the Community, excluding right from the start those products that played a major role in the agricultural economy of southern Europe, such as fruit and vegetables and the products of the vine?

What is needed is a decisive political will to take planned action as a means of guiding and controlling private and public investments both at the European level and at the national level.

Such a programme is all the more necessary as the problems in the agricultural sector in the south, in Italy and in comparable areas elsewhere in the Community, are inseparable from the question of industrial development and development of the tertiary sector. In particular, agricultural policy must take into account domestic producing conditions and conditions on the international markets in order to take decisions which meet the needs of producers and consumers.

As time has gone by, the basic premises of the Community agricultural philosophy have turned out to have little connection with reality or with the needs of the peoples of Europe.

For this reason planning must become an important element in the next stage of Community policy, and it must be based on decisions on outlines and details and on permanent and open collaboration between the Community authorities and national authorities, between the latter and national Parliaments and the various interest Groups: the regions, the development bodies, the local authorities and the regional plans must be the chosen instruments.

It therefore follows that we must maintain the correct relationship between regional autonomy, which represents the starting point for the process of planning, and the necessary coordination of regional plans while taking account of the requirements and the priorities of those aims that have to be set up at the national and European level.

The 'regionalization' of Community policy therefore seems to be unavoidable as a means of preventing the external trappings of the regulations and the new Community directives from continuing to hide speculation and vested interest — which might even create new distortions and new developments out of keeping with the objectives aimed at.

The failure to take into consideration the structural differences in European agriculture, and particularly Italian agriculture — in the case of which it is quite correct to speak of two agricultures — must be considered the principle cause of the total lack of progress in the less favoured regions, where the weakest agricultural systems are to be found. The need to eliminate structural imbalances and the need for development in the less favoured regions means that a body like the Socialist Group is particularly obliged today to put the accent firmly on regional development policy. This latter has hitherto been decided by different bodies from there which decide agricultural policy, with the result that conflicting decisions have been taken, or, in other words, decisions which are essentially to the detriment of the less favoured regions. Consequently, a regional development policy must also take agricultural problems into account in order to achieve its objectives: if this is not done the imbalance in the regions in question will not be eliminated.

Gatto

If Community agriculture as a whole lags behind other productive sectors, this is first and foremost because of the existence of these less favoured regions.

The agricultural policy, taken in the strict sense, is incapable of providing efficient remedies for these regions, since problems which are at one and the same time agricultural, regional and social must be tackled. Only careful weighing of the instruments available to the Community's three funds — agricultural, regional and social — will gradually lead to a healthy state of equilibrium.

President. — I call Mr Bocklet.

Mr Bocklet. — (*D*) Mr President, ladies and gentlemen, please allow first of all to make some general remarks on the subject of agricultural structures. Community policy on agricultural structures has up to now been largely overshadowed by price policy and has thus hardly been able to help reduce the internal differences in agricultural incomes. The aid to individual holdings which has been preponderant up to now can only be said to have had a marginal effect. The structural Directives adopted in 1972, whose main emphasis lies in aid to farms with development potential were geared to structural change; therefore, at a time when structural change is retarded and when farms with no development potential have no alternatives open to them, these Directives must have a differentiating effect. That they also have the effect of increasing production should be indisputable and in the present situation these rises in production only lead to an increase in surpluses, since they are not offset by a reduction in production capacity by farms which wish to stop operating. The 1975 Directive on agriculture in mountain and hill areas and in certain less favoured areas has certainly contributed to maintaining the level of land cultivation in the areas concerned, without however managing to achieve in this way any decisive reduction in the existing disparity.

A problem which is still very far from being solved is that of the Mediterranean regions. These are exemplified by an unfavourable agricultural structure, by a high proportion of the working population being engaged in agriculture, owing to the absence of any alternative occupation, and by often difficult conditions of production. Added to this is the fact that, as a result of the organization the produce of the Mediterranean region enjoys less thorough protection of the markets concerned, than that of other regions.

We are forced to conclude that measures taken under the Community agricultural structures policy to assist the Mediterranean regions have not been able on their own to solve the existing problems. Indeed, we can further note on this subject that it is the richer regions of the European Community which have to a very great extent benefited from funds from the guidance

section of the EAGGF, which were really intended for the less favoured and less developed areas. This kind of result cannot be in line with an agricultural structures policy, aimed at compensating for disadvantages. As a result, we are of the opinion that the Community agricultural structures policy should be further developed to ensure that in future EAGGF funds are concentrated on those regions which are least favoured. To compensate for this, the Community structural directives for other regions which receive no European Community aid from the EAGGF should be relaxed in order to give the countries concerned a free hand to set up their own measures which do not place any burden on the Community budget.

It seems to me to be far more reasonable to set up special programmes for individual less favoured regions than to draw up rules in the form of Community directives which also apply to regions which are not less favoured.

My second point concerns compensatory amounts. In a market economy, it is entrepreneurial initiative which, on the basis of an appropriate price and market policy, should be mainly responsible for producing income. Compensatory amounts for services whose effect on the market cannot be measured should only supplement in marketing and price policy but not replace it. However, since the restrictive price policy of the European Community has led to a striking deterioration in the income situation in agriculture, the problem of compensatory amounts for farms in less favoured regions which are to be kept up to preserve the cultural landscape or in the interests of sufficient population density has become much more acute. The basically encouraging experiences with the compensatory allowance in mountain and hill areas should induce us to introduce a corresponding entitlement scheme for farmers in the other less favoured areas in order to offset their steadily deteriorating position in relation to the mountain and hill areas, which are entitled to compensation, and to the areas not classed as less developed. We would further welcome it if the difference between an area which is entitled to compensation and an area which is not entitled to compensation were mitigated by a sliding scale of compensation based on the degree of disadvantage because we cannot entertain the notion that a farmer should receive a compensatory allowance while his neighbour who suffers from similar disadvantages, does not receive any compensatory payment merely because he belongs to a different part of a local authority area which is not entitled to compensatory allowances.

In conclusion I should like to state that the Commission proposal, supplemented by the proposals in the Barbarella report, constitutes in our opinion a step in the right direction. However we still have a very long way to go before we reach a balanced structure in European agriculture.

President. — I call Mr Kirk.

Mr Kirk. — (DK) Mr President, before we start assessing the Barbarella report and the new proposals we have received from the Commission, it is a good idea to have a look at what effect the Commission's earlier regulations, the EEC's earlier agricultural structure regulations have had since 1972. It is a fact that Directive No 159 on the modernization of farms, Directive No 160 on the cessation of farming, Directive No 161 on occupational training, and Directive No 268 on mountain and hill farming, all had the right aims but did not go far enough. It is also a fact that, to take Directive No 159, only a very small number of EEC farmers made use of the aid for modernization. Only 1.4 % of European farmers took advantage of this scheme, and that was not satisfactory, but I feel that the Commission, in its new proposals, is itself admitting that, while the structural support regulations had the right aims, they were too weak.

I therefore welcome the Commission's new proposals as an effort to make the agricultural structures support regulations more effective. I was also glad to hear Mr Gundelach make it clear, before the lunch break, that the new regulations are aimed at making the entire support system more flexible. He also stated that the structural policy was intended to help people to help themselves, and was not just another way of transferring the taxpayers' money from the Community till to the tills of the individual Member States. I think it is extremely important to make it clear that the main aim of the Community's agricultural structures policy is to encourage self-help, and not — as the report would appear to indicate — to transfer resources from the Community to the coffers of individual Member States. I would therefore call upon the Commission to stick to this objective-oriented structural policy and not to adopt the Barbarella report's misconceived proposals for, among other things, a geographically-selective intervention policy.

All in all, my view is that it would have serious consequences for the Common Agricultural Policy if the proposals outlined in the Barbarella report were to play too great a role. The report does not advocate the increased modernization of agriculture to make it more efficient, although in the long run this would ensure that the consumers of the EEC obtained the best produce at the lowest prices, nor does it call for a solution to the enormous market structure problems with which we have repeatedly been confronted in Parliament — and which will be facing us again in a few weeks' time when we come to debate the price package proposals. This aspect is of extreme importance when discussing agricultural policy or agricultural structures policy. It is enormously important to try to achieve a balance between what the market is demanding and what our farmers can produce. On the contrary, the Barbarella report — and I must say it is a pity a majority on the Committee on Agriculture followed Mrs Barbarella on this point — calls for a steadily increasing flow of public funds to the producers who may well have no future and who may well be in-

capable of adapting their production to meet the demands of the market. I feel this is an extremely important point to consider. If we follow the Barbarella report, we may well end up in the long term still using public funds to keep in business producers who have no future in the European market.

Agricultural policy should not — as is also suggested in the report — be used as a new form of regional policy. The causes of regional problems are usually to be found in badly-functioning infrastructures, and I do not think we can solve infrastructural problems through the agricultural structures policy. I simply do not believe this. The fact is that the structural resources available to us in the Community must be used to help adapt production to the needs of the consumers.

Another point that emerges from the Barbarella report — and this may appear rather surprising — is that, up till now, it has been the better educated farmers with more efficient methods of agriculture who have been taking advantage of the EEC funds available under the current structural proposals, regulations and directives. I must say, however, that it seems to me only natural that this should be the case. It is only natural that a combination of a good education and a farmer with good land producing high-quality produce will mean that the farmer is in a position to meet the needs of the market — and he will then also be in a position to take advantage of the funds offered under the EEC structural policy. If the Commission — as has in fact been proposed — intends to continue the extremely weak structural development we have seen since 1972, while trying to strengthen it, I think we are on the right lines.

There are a few points I should like to make to Mr Gundelach. This report also has some positive features — as, for instance, when Mrs Barbarella draws attention to the deplorable consequences for Community agriculture of the national support schemes. I would ask the Commission to follow the report on this point. It should investigate the national support schemes currently operating and report to Parliament so that we can try and get rid of them. It may well be the case that the agricultural imbalances between Member States are to some extent the result of the national support schemes we all know exist.

One last point I should like to mention is that the structural problems in the agriculture of the present nine Member States are extremely serious. However, if we fail to solve them, through an objective-oriented structural policy, we shall be faced with enormous problems when Greece, Spain and Portugal eventually join the Community. We must therefore act now, and I call upon the Commission to continue in its course and to keep taking action. Let us get these problems solved.

President. — I call Mr Papapietro.

Mr Papapietro. — (*I*) Mr President, ladies and gentlemen, during this debate which is now drawing to a close there has been repeated mention of the decade in which the European Community set up and pursued a structural policy after years of political and theoretical debate. Ten years ago it was felt that the traditional policy of liberalizing our market and protecting ourselves from competition from the rest of the world was not enough and that we also needed a policy for restructuring.

For the European Community, its policies and its institutions, the eight years from 1972 until now have marked a historic phase culminating in the direct election of this Parliament. The results, however, have not been all that promising. The Commission itself has admitted that directives have very often not been implemented, the desired effect of establishing a balance has not come about and — as Mr Gundelach pointed out — disparities of income within the Community have increased.

A fair criticism of the 1972 directives was that they were based on a model of agricultural organization in Europe which was perhaps not generally valid, especially in the more backward agricultural areas. Other factors, however, were resistance to change and a rejection of innovation. In a number of socially and politically backward areas the situation was made worse by a combination of outdated production methods and the interference of powerful local political forces. Furthermore — as Mrs Barbarella said earlier — these directives were issued just before the crisis which hit the economies of Europe and the world. The monetary crisis had already hit us, and just over the horizon there was the energy crisis, and prices and the value of land were going through the roof. Man's relationship with the land was changing, and the attachment to it of large numbers of small farmers and savers was growing all the time.

There is more we can glean from a careful look at the Commission report. The regional distribution of development plans reveals tremendous differences. In general terms, it would seem that the countries with the weaker economies — and indeed the regions in those countries where there is the least social, technical and productive progress — are practically incapable of presenting projects. There was not one project from Italy until 1977. By increasing the ability to devise projects and organize the link between production and the market, we can offer one solution for restructuring the agricultural sector. But is planning at the farm level enough? And why has it been resisted by farmers in so many parts of Europe? I know there are not many development plans and that they do differ, but if we consider the increase in the size of farms in the light of these plans, we see that is in fact a trend towards rationalization and improving efficiency by a

fair number of small farms, but this number falls into insignificance when compared with the total number of holdings in Europe.

The Barbarella report goes into this and puts forward proposals for removing the limitations, such as allowing farmers to benefit from farm development plans by letting them deduct 10 % from the comparable income, except for farms which exceed 120 % of this income, and other measures which I need not go into here. I would also add that, in her report, Mrs Barbarella has called for the removal of two basic restrictions which were laid down in the 1972 directives and which perhaps excessively limited the objective of structural policy to the simple level of the farm, and maintained far too strict a division — and Mr Pisani was the first to point this out this morning — between a structural policy and a prices policy. In this way it was relegated to a marginal and subordinate role.

The report develops along two lines. First and foremost, it urges a consistent agricultural policy for the Community based on the proposed linking of the structural and prices policies. Even if this is not made clear in explicit terms, we hope that after the vote it will be clear. We agree with Mr Pisani that this is a fundamental point. We do not want the structures policy to go on being considered — because this has long been the case in the past — an afterthought tagged on to the prices policy which has the major role. We want these two elements to be employed together, because the aim is general productivity for the agricultural sector and the economy in Europe, and not just sectoral productivity at farm level, which means in the upper circles of the European farming community, which is what Mr Kirk seems to want. In this respect, we found today's remarks by the Commission very interesting.

Secondly, the report advocates an agricultural policy which can map out points of reference not only for the productive aspect but also for the economic aspect and which can correlate the various economic factors of specific economic areas. Mr Gatto spoke about this earlier. A structural policy which goes beyond merely helping one or two weaker farms or agricultural areas must feature this.

Underlying this approach is the idea that structural policy must benefit in particular the more backward areas, in terms of social betterment and improved agricultural efficiency as a result of eliminating imbalance and the waste of resources, and not by providing direct or indirect advantages for the more fortunate areas.

The European Community is about to expand towards the part of the Mediterranean which is less well off, and you cannot get ready for enlargement simply by having a few measures which try to avert trade conflicts as best they can. We have to find a completely new approach to these problems, one that will bring an element of order to production and do away with

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waste and all the schemes which encourage surpluses. Otherwise, we are going to go along the same old parallel path of countries with an advanced economy and those with backward economies — which is not the least important cause of the crisis getting worse — together with the parallel existence of efficient areas and undertakings, producing surplus goods and using advanced technology enabling them to work together with industry and the service sector, and those other areas which are under used and give little return. What we need is a structural policy which can get to work in the less favoured regions and promote a more balanced organization of the production and distribution of goods.

The report also suggests that structural policy should begin to be harmonized with the rest of European policy. In particular, there should be harmonized use of the Social Fund to influence production costs and producers's final income as well as the general economic costs involved in developing whole areas.

There was one part of the report which was discussed in committee. This was the part on scientific research. I only want to say at this point that scientific research cannot be restricted to the application of research and to the transfer of advanced technologies, which is what has happened until now in the more advanced areas and undertakings. Research and technological transfer must promote economic development and bring the lowest levels up to the highest.

In conclusion, Mr President, I may say that we support the Barbarella report. After this period in which European agricultural policy felt it could ignore structural problems, and in which structural policy played a minor role, we hope that there will be a new period in which the Community will encourage the individual Member States to bring about a change by means of financial aid and increasingly effective schemes to eliminate imbalance.

President. — I call Mr Brøndlund Nielsen.

Mr Brøndlund Nielsen. — (DK) Mr President, I should like to comment very briefly on Mrs Barbarella's report on agricultural structures policy. There is insufficient time available for me to go into any great detail, but I should like to express my appreciation for all the work Mrs Barbarella has put in. Unfortunately, I must say that I disagree with the main points and many of the details contained in the report.

I think we all realize that the terms of the Common Agricultural Policy are defined much more clearly in the Treaty than most other aspects of Community policy. The Treaty describes in detail the basic thinking behind the Common Agricultural Policy, which is that — as is explicitly stated in Article 39 — the CAP should help to ensure that supplies reach consumers at

reasonable prices and should ensure a fair standard of living for the agricultural community. That is a perfectly clear and explicit objective. Some people may say that these latter two objectives are difficult to reconcile, but I do not agree. Article 39 states elsewhere that another objective of the CAP should be to ensure the rational development of agricultural production and the optimum utilization of the factors of production, in particular labour.

I quite appreciate that some people may feel that this is not the right kind of social policy to be pursued in rural areas. The fact is, though, that these are the objectives of the Common Agricultural Policy as formulated by the Community. I very much approve of attempts to remedy the problems which exist in rural areas. I am very glad to see that something is being done to give people the chance to stay in rural areas. The situation in my country is that planning and environmental authorities are doing all they can to force people away from rural areas or to prevent them from settling there. It is a relatively unimportant point in this context, but I am glad to see the Community doing something for those people who live in rural areas. However, this should be something for the Social and Regional Funds only; according to the terms of the Treaty, it is not a legitimate objective of the Common Agricultural Policy.

As regards the debate on agricultural expenditure and the budget, the one thing that is certain is that, if we pursue these regional and social-policy aims, as distinct from the purely agricultural aims, we shall finish up by committing enormous amounts of money to this sector for evermore. There is no prospect of saving any money at the present time by dint of a reasonable degree of modernization and rationalization in European agriculture.

These are admittedly very general points, but I believe it is right to make them now, because there are so many details in the Barbarella Report which I cannot go into. For that reason, I think it is right that we should discuss Mrs Barbarella's main point, because that is the reason why I cannot go along with the views put forward in the report.

I should also like to say that, in my view, the objectives I mentioned just now have produced quite creditable results. In fact, the results have been so good that there is now a definite surplus of certain produce within the Community. As I have said before on other occasions, I do not think this is quite what we should be trying to achieve, as some people like to think, but it does at least show that we have got a policy which has produced quite creditable results. On the other hand, though, I do not think that efficiency should be our sole objective. It is evident from Article 39 that there are other factors to be taken into account, although they are not our major concern. If you just take, for instance, the question of secure supplies, I think it is obvious that what we are aiming for is not

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maximum efficiency, if it were, we could, say, set up a series of factories close to European deep-water harbours and thus simply pump the fodder obtained from all over the world straight into the animals. There may be any number of reasons, but I just wanted to draw your attention to the supplies aspect. There is therefore a limit in this respect — as I would freely admit — inasmuch as there is a case to be made out for allowing smallholdings to receive special support. The ideal situation, to my mind, is what I would call a modernized and rationalized family farm. That is what I think we should be aiming for, and I think it accords well with Article 39 of the Treaty.

President. — I call Mr Flanagan.

Mr Flanagan. — Mr President, ladies and gentlemen, my group welcomes this important debate today. It is extremely timely, since the whole question of reducing structural and regional imbalance is an essential prerequisite of Community cohesion, more especially in the light of proposed enlargement of the Community later on. This debate will also, I hope, clarify for those who have adopted an unreasoned and biased attitude to the common agricultural policy the needs and the difficulties of farmers who have to eke out an income in the most difficult of circumstances.

The proposals from the Commission recognize the importance of an effective structural policy, this being the basis for agricultural development. They represent a logical continuation of previous Community measures adopted in the spirit of Article 39 of the Treaty of Rome — provided, that is, that account be taken of the structural and the natural disparities between agricultural regions when determining agricultural policy.

As some other speakers have said, structural policy must be seen as a necessary complement to price policy. We welcome the proposals and are anxious that legal and administrative difficulties and delays in implementing structural policy should be eliminated. A large number of applications cannot be handled by the information and advisory services available to small farmers to draw up and implement development programmes. Accordingly, the number of farmers actually benefiting from aid is less than the number who could do so if administrative procedures were reformed.

With regard to farm modernization, my group welcomes the proposals to lower the comparable income target. However, the Barbarella report calls for a lowering of the target to 80 %, and to 70 % in difficult areas. My group would go further. We feel that the objective should be an even lower rate of 50 %. There is a high proportion of farmers, particularly in Ireland, who are not in a position to undertake development plans because of the small size of their farms and the low level of investment. The Commission also proposes to allow Member States to provide such aid to

farmers under 55 years of age, and of course we welcome this.

I fail to understand why the Commission has not given recognition in its proposals to a predevelopment category. This could include all fulltime progressive farmers who, by reason of the small size of their farms, or the low level of their operational efficiency, could only undertake the development of their farms with a view to reaching comparable income in two stages. Many experts recognize that it is possible to reach the same objective by quite different intermediate steps, so that the natural diversity of different regions in Europe can be respected.

In addition to objecting to the proposed quotas the Commission is introducing in the dairy sector, my group rejects the proposed restrictions relating to aids for milk, pigs and horticulture. These would clearly have disastrous implications for agricultural development, especially in Ireland. They would hit the small farmer particularly and would reduce investment on farms of a smaller category and thus delay the process of structural reform.

Many regions have concentrated on milk production because this provides the only means of achieving a minimum acceptable income. I should like to repeat that: the only means of achieving a minimum acceptable income. Most of the farmers in such regions have very small farms, and no other type of farming would provide them with enough to live on. Admittedly, there is a milk surplus, but surely these smaller farmers cannot be blamed. Consequently, they cannot and must not be unjustly penalized.

Already many of these farmers have embarked on development plans under Directive 159 and have spent substantial sums of money on new investment. These would be lost if the plans could not be completed because of a withdrawal of aid. This is why we cannot accept any restriction on aid to small dairyfarmers who, as I have said, have no alternative to milk production.

The trend in pig production is towards bigger production units, which makes it difficult for the small producer; but given the right incentive and good advice, smaller farmers can supplement their incomes from pigfarming.

As regards the proposals on mountain and hill farming, while I welcome the increase in the level of Community financing, it is clear that the increase in the maximum grant favours those Member States who are in a financial position to pay the higher amounts.

As regards the directives on the cessation of farming, I welcome the increased level of recoupment for the annuity and the premium. The annuity has no ceiling and is open to all farmers, and therefore it will be at a high

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level in the case of larger farms. Personally, I would also like to see a category of disabled persons included as being entitled to the annuity as well as the 10 %.

While it is clearly obvious that the retirement scheme has been a failure, this is hardly a reason for abandoning the principle of a single Community system. If there is to be a directive, then it should be applied throughout the EEC; leaving it to the discretion of each Member State would lead to the erosion of Community solidarity.

My group welcomes the proposed financial incentives both to Member States and to farmers participating in training courses. I therefore do not agree with the rapporteur that agricultural vocational training should be passed into the hands of the European Social Fund. The purposes of the Social Fund and Directive 161 are totally different. It would be wrong to regard agricultural vocational training as part and parcel of general vocational training. Indeed, while Directive 161 aims at improving farmers' knowledge of farming, one of the principal aims of the Social Fund is to train farmers for jobs in industry. These roles can hardly be described as complementary.

Greater attention will certainly have to be paid to the problems of young people working in farming. We believe that the Community is not doing enough to encourage these people to remain in farming, which offers them a good future.

In conclusion, I should like to refer to the Community's proposals for the stimulation of agricultural development in the less favoured areas of the west of Ireland and Italy, which we welcome. However, while they represent a new and fresh approach and have been well received, the proposed development package for the west of Ireland does not form a complete package of measures, as the rapporteur's text suggests. The west of Ireland is agriculturally and industrially a severely handicapped region. It has suffered from massive emigration because of the lack of any basic wealth. Agriculture is relatively poor and structurally weak. Most of the farms are small and uneconomic. If they are to survive at all, they need a massive injection of funds from the EEC along the lines of this development programme. However, if dairyfarming is excluded from aid, then it will be virtually impossible to make any progress and the programme will be doomed to failure. Dairyfarming provides the only hope for the farmers of this region. If it is excluded, the farmers will never get an opportunity to raise their incomes to minimum acceptable levels.

That is all I have to say, Mr President. I hope that the message I have given will get through.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call Mr Clinton.

Mr Clinton. — Mr President, I want at the outset to say that I believe that Mrs Barbarella has done a very commendable job on this report and that the Commission, the Council and indeed all of us here in this Parliament who have an interest in the agricultural industry should take serious account of it.

The Committee on Agriculture has taken a very active interest in the Commission's proposals, and a fair amount of consensus has been reached on most of the measures that should be taken and on how the Commission's proposals should be modified and improved. It is fairly well known and generally admitted that the 1972 directives have had only a limited effect in improving agricultural structures in the Community, especially in the poorer regions. The third report on the implementation of the directives clearly confirms this fact. After a short experience of operating Directive 159, it became clear in my country that only the larger farms or, in some cases, farms involved in intensive lines of production could qualify for Community aid. Even in many of these cases the level of Community aid was too low and too unattractive to the farmer, who had been called upon to follow a specific development plan and also keep accounts. In our case, less than 20 % of all applicants qualified for Community aid, and this aid only amounted to 7½ % of the cost of farm buildings, that is, one-quarter of a 30 % grant. The remainder had to be borne by the State and by the farmer himself.

Even if there were no other reasons, those I have mentioned are sufficient to illustrate the point. The Commission's new proposals still fall far short of what is needed, but because the present at least some improvement they are to be welcomed. If the proposals for amendments to the various directives contained in this report are accepted by the Commission and the Council, and if Community aid is raised to a more attractive and a more realistic level, then there should be greater progress towards the goal of improving structures generally in the Community.

I would like to draw attention particularly to paragraphs 6, 7, 8 and 19. Paragraph 6 reminds us of the difficulty caused by the condition relating to comparable income and the very large number of people deprived of aid because they could not reach this qualifying income, and this has been emphasized by my colleague, Mr Flanagan, in his contribution. The Commission's proposals go part of the way to rectify this, but they should go further if we are serious about making real progress in this area.

Clinton

Paragraphs 7 and 8 emphasize that the improvement of structures and modernization could be seriously slowed down by restrictions on investment aid in certain production sectors. People struggling in poor circumstances must be enabled to expand in the type of production they know most about, even if it is milk production, because in Ireland at least there is no alternative for them, except to be maintained by the State on social welfare payments. I think this was admitted this morning by Mr Gundelach. I was glad to hear him admitting that this was so. This, you will agree, is anything but a desirable alternative. Citizens of this Community should not be robbed of their dignity and self-respect in this way.

This brings me to comment on paragraph 19, which I myself proposed, because I am very conscious of the need for greater emphasis on education and training, backed up by an adequate research and advisory service. Know-how is the main limiting factor in many cases where production and income are much lower than they need be. If the Community is to get the best value for the money expended on improving structures, this type of service is an essential ingredient in any such improvement programme. I know that I am now running out of my very limited time, and while I am anxious to comment much more fully on this programme for the modernization of agriculture, I shall now have to conclude by making a few final points.

If we are to make worthwhile progress, more money must be provided. A comprehensive survey must be made of problem areas, and all the resources and all the possibilities must be fully utilized in a real effort to provide satisfactory incomes and living standards for rural families in the Community. If through neglect these people are forced out of their natural environment, many of them transplant badly and cause many well-known problems. This is something that can and should be avoided, and if it is to be avoided, our search and our efforts to provide incomes for the rural population should not be confined to the agricultural sector, but should embrace every other activity or development that is seen to be possible in the Community.

Mrs Kellet-Bowman. — Mr President, this is an extremely interesting report and Mrs Barbarella is to be warmly congratulated on her very hard work. Not surprisingly, I welcome particularly the overall proposals, from which disadvantaged farmers in any part of the Community can benefit, rather than those specifically directed at any one particular region.

I wish to direct my remarks primarily to paragraphs 15, 16, 24, 25 and 30. There is no doubt that part-time farming is on the increase in every country of the Community. In the United Kingdom, however, we do not call it part-time farming — we refer to 'additional income from related activities', such as, bed and breakfast, pony trekking and the like. But whatever we

call it, this extra income is vital to enable farmers in more difficult areas to continue in farming and to prevent vast areas reverting either to scrub or heather or to ranching. This is particularly true of parts of Cumbria and Lancashire, where tourism and farming, and indeed forestry, must go hand in hand if the area is to prosper. The farmers today, however, who are feeling the pinch worst are the ones on marginal land, whose farms have neither the advantages of the flexibility of the downland farm, nor the compensatory allowances which are available to hill farms. Moreover, they are restricted in the amount of stock which they can carry by the fact that they do not in general have access to the sheep runs on the mountains or the higher fells, which are available to the hill farmers and enable them to have a rather higher stocking rate.

It is in my view it is infinitely better to give them the assistance of compensatory payments than to set a price so high that those on easier land can flood the market. Therefore I welcome the proposals to increase the maximum level of compensatory allowances to 75 u.a. per livestock unit. This would be a particular help to the United Kingdom, which is the only Member State currently paying the compensatory allowance at the maximum rate. Assuming that the UK Government increases the compensatory allowance to the new maximum permitted, this would give the UK an extra 42.9% from the agricultural fund on this particular item.

I particularly welcome paragraphs 24 and 25, which stress the need to extend the existing mountain and hill areas which qualify for these compensatory allowances. I do not entirely agree, however, with the way in which this is proposed to be done, because it would still exclude many farmers who are in great need of assistance. If the word 'and' in line 5 of paragraph 24 were to be changed to 'or', Mr President, it would make an enormous difference. I appeal to the rapporteur to consider this. It would enable those farmers to be included, since they fulfil the second criterion, that 30% of their utilizable area is difficult or impossible to cultivate using normal machinery and much of it is on a slope of more than fifteen degrees.

Paragraph 25 seems to me to be eminently sensible, since it seeks to abolish the present very harsh 'all or nothing' policy by introducing a graduated scale of compensatory payments for those below the hill line, in order to take into account the steadily deteriorating economic situation of these marginal areas. The latter are absolutely vital to the wellbeing of the whole of agriculture, because without their stock the livestock enterprises of the lowlands would be in very serious trouble.

I welcome the call in paragraph 30 to identify the main areas of difficulty more precisely and, I would add, more rapidly. In the United Kingdom, the government is currently engaged in a survey to identify marginal land, but this needs to be mightily expedited. I also

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welcome the suggested inquiry into the agricultural credit situation, which differs widely from country to country and creates considerable distortions in competition.

The inquiry into the deterioration of the rural environment, also called for, is long overdue. Just because the countryside still looks attractive and well cared for, it is all too easy to assume that all is well. In fact, the closure of village schools, the reduction of rural transport and many other things are causing the decline of these rural areas.

This is why we have an integrated project in Cumbria for East Fellside to bring together all those who really care about the countryside and to do something about it. We want the young people to stay. We want the villages to stay alive, and that is what this committee and this Parliament must be working for.

President — I call Mr Maher.

Mr Maher. — Mr President, because my time is limited and because I do not want to repeat the points made in the excellent contributions before me, I will confine myself to limited aspects of this problem. I congratulate Mrs Barbarella on her valiant attempt to produce a policy relating to restructuring, which is always a very difficult problem and hedged in with a lot of risks. It is very difficult for Mrs Barbarella to please everybody.

However, I cannot help thinking that while we are looking at this whole question of restructuring, we have to bear in mind something very basic, and that is that policies must be for people. If they are not about people and for people, then I do not think that, however excellent they may be in other respects, we can give them any degree of acceptance. For that reason I am more and more convinced that if we are to solve the problems or even go a reasonable amount of the way towards solving the problems of people who live in regions where the problem of restructuring is most acute, we have to consider the general situation in these regions. In fact, I feel more and more that what we want is a rural policy, rather than a single policy for agriculture or a single policy for regional development or a single policy for social advancement.

We need to look at this whole problem in a coordinated fashion. I feel we have to some extent been wasteful of our resources, both of money and of time and of the talent which we have in the Commission and in other institutions, in homing in on the problems of people living in rural regions. Perhaps what we need is a Commissioner and a Committee for Rural Affairs, in other words, the right kind of framework against which to place a revamped agricultural policy, a revamped regional policy and social policy. We do not have this framework at the moment. We are tend-

ing to attack the problem piecemeal, without a great deal of transparency. We do not seem to be able to see very clearly how these problems slot into one another and what the ultimate consequences for the individual man and woman and the family living in these areas are. I think we need to do that, and if this Parliament were to concentrate on that aspect in the immediate future, I think it would contribute in a very material way to at least moving in the direction of a solution to this very difficult problem.

I know it has been said before, but we cannot any more apply the solutions that were talked about 10 or 15 years ago or even 6 years ago, when we had possibilities to move people into the towns and cities where there were still possibilities for employment. That situation does not obtain any longer, and we must concentrate on maintaining the people in the rural areas — not necessarily in agriculture, but at least in industries complementary to agriculture. I think of industries that can harmonize with agricultural developments so as to create a more dynamic rural population that will not always be holding out its hand for assistance to governments of Member States or even to the Community, which is the situation we largely have at the moment. That is why I am very suspicious about paying direct aids to people. I know that it seems to be an easy way out, perhaps even in some ways a good way out in the short term when we have the problems of disposing of certain food surpluses. However, if you give somebody a direct payment, human nature being what it is, he tends to lean more and more on the direct payment and pay less and less attention to what he can do himself, on his own initiative, for his own independence.

We need to look at the whole situation in agriculture in relation to the energy problem. I would like to see the Community research organizations concentrate more on the question of whether we could use some of the land we have available to promote production that can be used to help solve the energy problem. I am thinking of afforestation generally, but even scrub products — bamboo is being tried now in some countries — can be used to feed generating plants. This would be one form of energy for which we would not have to rely on the Arabs. We have it under our own feet. Could we concentrate on that and get the research institutes, the people who are working independently at the moment, to come together to see if we can find solutions? In that way we might help to find a long-term solution to this problem.

President. — I call Mr De Keersmaecker.

Mr De Keersmaecker. — (NL) Mr President, anyone who assesses the EEC agricultural structures policy and the Commission's proposed amendments will agree that they are designed to ensure a more balanced relationship between the market and the struc-

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tures policy, greater coherence between the structures policy and regional policy and the elimination of income disparities in all sectors in the medium to long term throughout the Community. Those are the objectives. Experience has shown, however, that the structural directives, especially the second and third directives, have not worked even in the Member States which have applied them most efficiently.

We already know the main reasons for this. These are, first and foremost, the profound changes in the social and economic situation, the fact that the proposed support measures could not always be applied to the wide variety of agricultural problems in the Community, the limited nature of financial support measures — a situation made worse by inflation — the lack of coherence between the structural and price policy and the specialized sectoral nature of the structural policy, which has not been sufficiently tailored to an overall strategy. The Commission proposals are intended to make good these deficiencies. However, we feel they are too limited and not sufficiently far-reaching.

I now turn to the criterion of the comparability of incomes according to directive No 159. Clearly, this must be made more flexible. At any rate, the possibility should be considered of providing Community support for improving and modernizing a larger number of farms than provided for by that directive. The proposed income level has proved too high for many farms, at least in the short term, while farms in less favoured regions will, if they are assisted, be able to attain the income levels of the more developed regions. For this reason Mr Diana has tabled an amendment proposing an improved method of applying this criterion, and we support him. Lastly, it should also be possible to give Community financial aid to farms which have not yet reached to comparable incomes threshold but which may do so in the longer term.

Mr President, we are bitterly disappointed that so little has been done to provide for a structural policy for young people. If the European farm policy in the medium and long terms, is to be revised particular attention must be paid to the problem of young people who wish to start up a farm or continue in farming. Admittedly, the Commission recently worked out an old and controversial proposal for a directive whereby special assistance would be granted to young farmers who submit a development plan in accordance with directive No 72/159, but the proposed support measures are unsuitable and inadequate to overcome the many difficulties involved.

An effort should be made to devise a comprehensive and effective system of support measures which does not discriminate from the outset against young farmers who wish to settle in farming but who are not yet able to submit a development plan. The four directives, together with the proposed improvements, constitute a horizontal approach benefiting all farms which are trying to achieve satisfactory productivity. But the

structural policy can only bring about regional and territorial balance if it is supplemented by a vertical approach, like that provided by the special action programmes, the nature of which must depend on the results to be achieved — product conversion in accordance with market demand, the development of new products for which there is room on the market, the exploitation of specific additional resources and other needs.

If this idea is accepted, the specific intervention programmes can pave the way in the medium term for more radical and coherent structural measures. Finally, the structural policy implies action in the medium and long term and should not stand in the way of an effective prices policy, which must continue to perform its primary function of exerting a regulating influence and safeguarding incomes. The agricultural structures policy can, moreover, only be successful if it forms part of an overall regional and social policy. The agricultural structure policy alone cannot be expected to solve all the social and economic problems caused by the retarded development. The Commission's proposals whereby the development programmes would be financed jointly by the Social Fund, the Regional Fund and the Agricultural Fund are therefore an important step forward. Mr President, we hope the Commission and Council will take full account of the amendments proposed in the Barbarella Report.

President. — I call Mr Dalsass

Mr Dalsass. — (D) Mr President, ladies and gentlemen, the experiences of the last sixteen years have shown that the structural directives on agriculture issued in the past are in need of correction. The objectives laid down in these directives have in fact proved impossible to achieve. They have not succeeded at all in reducing the differences between the agricultures of the various States. Indeed, we may even say that this gap has grown wider. They have not succeeded either in reducing the differences between agriculture in favourable areas and in that less favoured or in mountain and hill areas. It is for this reason that the need for appropriate amendments to structural policy was recognized. It was to this end that the Commission put forward the amendments which are now before us. We should welcome the fact that measures are planned for less favoured areas and for mountain and hill areas. Above all these special programmes for certain less favoured areas of the Community will definitely contribute to boosting agriculture in those regions accordingly and to raising it to something like the same level as in the more favoured regions. Some special measures have also been provided for where mountain areas are concerned — and I mention mountain and hill areas because I come from such a region myself. Unfortunately some of the measures envisaged by the Commission and the Council of Ministers are intended only for the less favoured areas and not for the moun-

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tain and hill areas as well. I refer here to the reduction in the minimum farm size from 3 to 2 hectares, so that such farms can be suitably assisted and granted compensatory payments. We cannot see why farm size should in fact be reduced for the less favoured regions, but not for the mountain and hill areas. For it is precisely in the mountain areas that agriculture has an additional function to carry out. Its task here is to maintain and care for the beauty of the landscape, so that these areas may continue to assume that recreational function which we all need more and more. And if we maintain the recreational function of the mountain and hill areas in this way, it is in the interests not so much of the population which lives there but principally of the population which comes from the urban centres to the mountain and hill areas in order to seek recreation. So, if we do everything we can to maintain agriculture in mountain and hill areas, we are performing a valuable service not just to agriculture itself but to the economy as a whole. Because I recognize this fact, I proposed to the Committee on Agriculture that the minimum farm size should also be reduced in mountain and hill areas from 3 to 2 hectares, and this proposal was subsequently included in the resolution.

I am convinced that Parliament will also agree with me on this point. I would, however, like to take this opportunity to address an appeal to the Commission and to the Council of Ministers. When the amended structural Directives are issued by the Council of Ministers, it should not forget to adopt this point as well. I know that there is some resistance to this. If this amendment is adopted, it is above all the poorer farmers who will be helped, while at the same time the recreational function of the mountain and hill areas will be maintained for the population as a whole.

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, I would like to thank those who put forward these enlightened proposals. I naturally agree with the general principle, as the Member for the Highlands and Islands of Scotland, which is the largest constituency in Europe except for Greenland, with very many islands which happily are still populated. We are very happy that part of my constituency is one of the three areas selected for a pilot scheme.

We sometimes wonder, however, if we need the word 'pilot', because we have had a unique body in the Highlands doing the research and preparation of the ideas, namely the Highlands and Islands Development Board. We also have a Crofters' Commission, because since the genocide of the Highlanders after the '45 rebellion, we have had protective legislation for small non-viable units. I would like to take issue here with Mr Provan on his Amendment No 15, because the crofters' protective legislation kept people in the place.

I would like to tell you a funny story. There was a certain economist who went to the Western Isles. He found a dense population, and yet there was only peat and bog, no trees and really nothing much — except fish in the sea, of course. The economist said, 'It's ridiculous, you have 30 000 people here! How on earth do they live?' The leader of my party, who was then the provost of Stornoway, said, 'Well, of course, it is just like the Eskimos — they never met an economist, so they just went on living'.

The Western Islanders are there and they feel this place matters. We are on the periphery of peripheries, and if Mr Jenkins means what he says, that this Community wears a human face, then it should certainly show it in my particular area, which had the highest turnout in the European elections in Britain; more interest was shown there on the periphery; they are looking to you and you have helped them before.

One last point. The Western Isles are the last bastion of a language which is one of the most sophisticated, erudite and ancient in Europe — the Scots Gaelic. Therefore in choosing the Western Isles as a unit, you are also doing something that they appreciate: you are helping to ensure the survival of a language. But it may have been a little misguided to choose the area of the Western Isles alone. I make this appeal on behalf of the elected Highland Regional Council, the Crofters' Commission, the National Farmers' Union and the Highlands and Islands Development Board. The edge of the mainland is also a bastion of Gaeldom where they speak the language. Because they are not a recognizable unit and maybe lack the attraction and magic of the Islands they are even worse off. That is my last appeal.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — (DK) Mr President, I shall be brief, and I should like to begin by expressing my thanks to all concerned for this debate, which has in many respects confirmed the thinking which lay behind both the Commission's proposal and Mrs Barbarella's report. I already commented on the Barbarella Report in considerable detail in my speech this morning, from which you will have gathered that the Commission is prepared to accept a number of the amendments tabled, provided certain principles are adhered to to ensure that the aims are reconcilable with the Community's agricultural structures policy, and to ensure that we do not finish up with a policy which amounts to no more than a straight transfer of resources. I shall not repeat the points I made earlier; I just want to say that the same points apply to a number of the amendments which were discussed in the course of this afternoon's debate. I should like to concentrate on Amendments 30 to 42 tabled by the Committee on Budgets and which centre on the fact that the Committee on Budgets would like

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to see the various budget items in the programme as a whole and in individual parts of the budget made more of an indicative nature than definitive amounts.

I quite appreciate the thinking behind the concern expressed by the Committee on Budgets in these proposals, and it presents no difficulty for the Commission as such. We too would prefer to see these amounts made more of an indicative than a definitive nature, because they would then be more in line with both the real situation and the budgetary procedures. But in the light of my experience in Council discussions, I must point out that there are a number of Member States which undoubtedly want to make acceptance of these structural proposals dependent on agreement in every case in the immediate future to use fixed amounts, especially in the present budgetary situation. Although I fully appreciate the reasons for the proposals, I must therefore admit to a certain scepticism as regards their chances of being accepted in practice.

On the other hand, I should like to associate myself with the points made in the report and which were underlined in the course of this afternoon's debate by Mr Kirk, among others, to the effect that, as far as the development of agricultural structures is concerned, we must bear in mind the various national support systems which are in continuing use in Member States. And you can go even further and take in the question of credit facilities interest rates and the special lending conditions for the agricultural sector. The commission feels that this is an extremely important field and it has already taken steps to find a solution. I am sure, though, that this House is aware of the magnitude of the problem. Nonetheless, I personally am convinced that this job must be seen through to a successful conclusion in the not too distant future; after all, without a clear picture of the major differences in the way agriculture is dealt with in the Member States in terms of national economic policy, it is not an easy matter to arrive at a definitive objective for the Common Agricultural Policy as regards prices and structures. I therefore feel that both the report and today's debate have brought out just how enormously wide ranging this problem is. I also agree with Mr Maher that we should try to widen our horizons somewhat and not only talk about production policy, marketing policy and incomes within the narrow meaning of the expressions but that we should turn our attention to how we can best utilize our agricultural and land resources, and how we can ensure that our wealth of land, which is threatened by urban development and other such phenomena, can be safeguarded for society as a valuable asset both in purely economic terms and in a more indirect sense. I believe that this element in the debate shows that we should not think simply in terms of economic profitability, but that we should take a longer-term view and consider how our land should be used. I think that is a factor which we should also take into account in formulating our policy.

I have taken note of the views which have been expressed on what may be called marginal areas, or hill areas or disadvantaged areas, which benefit from the special so-called hill-farming directive, and flat country. This problem deserves special attention, with regard not only to the particular points raised by Mrs Kellett-Bowman, but also the concerns expressed by Mr Dalsass. That is something I fully support. I am, however, not sure — as I said this morning — that cutting down the number of hectares by the payment of subsidies is really a viable solution. But I realize that this is a problem for which some solution will have to be found.

In the final analysis, the important thing as far as the Commission is concerned — and I think we managed to achieve a very broad measure of agreement in the debate despite the inevitable conflicting views on particular aspects — is that this structural policy is not something that is separate from the Common Agricultural Policy: in other words, separate from price and marketing policies. As far as we are concerned, there is an interplay between the two. It is important to regard the Common Agricultural Policy as an integral policy and not see these as two entirely separate things which have nothing at all to do with each other. This point was made by other speakers before me, but in view of the relatively poor level of participation in this debate, and in view of the extremely wide ranging debate we shall be having in a fortnight's time when we come to discuss prices, there are perhaps grounds for wondering whether it has really dawned on us yet that what we are talking about is two sides of the same problem, and that the two are inextricably linked. We shall never find a solution to the price and marketing problems unless we accept structural policy as an integral aspect of this debate, and regard it not just as a means of solving the problem of inequality, but also as a means of solving the problem of market imbalances. What we are looking for — and here again I go along with what Mr Maher had to say — is not a policy which aims to give direct support to certain sections of society. Of course, there may be situations which can only be tackled by way of direct intervention, but our primary concern as regards this policy — and here we are acting entirely in accordance with the Treaty — is to boost agricultural earnings by boosting productivity. And when I talk about boosting productivity, I must of course add that the word 'productivity' must be taken in its full meaning of providing opportunities for the production of those commodities which can be sold economically within the Community with the lowest possible ancillary costs and thus with the highest possible agricultural earnings potential. After all, there is nothing to be gained from shifting the problem by making certain production sectors technically more effective so as to increase the level of production of foodstuffs for which no market exists, whereupon the taxpayers will have to cough up for the surplus production. I agree with Mr Maher that that cannot possibly be the aim of the Common Agricultural Policy. We should be trying to find ways of boosting agricul-

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tural incomes by improving efficiency in the widest sense of the term.

So long as this principle is upheld, the Commission — let me repeat — is quite prepared, in the light of this debate, to consider a number of the amendments which have been tabled, in the hope that the Council will act in the same spirit. We think it is important for this structural package to be put into effect with all due speed. Indeed, we hope that certain parts of the package will be implemented in connection with the forthcoming debate on agricultural prices, precisely because we feel that there is so close a connection between this structural policy — as I have tried to explain it — and the so-called market and price policy.

(Scattered applause from the right)

IN THE CHAIR: MRS VEIL

President

President. — The debate is closed.

The motion for a resolution will be put to the vote during the next voting time.

11. Question Time

President. — The next item is the second part of Question Time (Doc. 1-825/79).

We begin with the questions to the Council.

I call Question No 53, by Mrs Dienesch (H-370/79):

Does the Council intend rapidly to adopt for 1981 and 1982 an interim programme of research and pilot projects on the poverty of some of the poorest groups of people in the nine Member States?

Mr Zamberletti, President-in-Office of the Council. — *(I)* On 27 November 1979, the Commission submitted to the Council a proposal for a decision on interim action to combat poverty.

The Council requested the Opinions of the European Parliament and the Economic and Social Committee on the proposal on 6 December 1979.

Mrs Dienesch. — *(F)* Your precise answer sums up the situation, but it was very brief, as I can well understand. For this reason, I should like to urge that the

Fourth World should not be left behind in the Budget stakes.

The drama of the Fourth World is that the people of Europe tend to be unaware of it. Ten million Europeans are living in this state of poverty which does not quite fit into any category. Fifty per cent of the people in Europe are unaware of this, and it is in a way state of exile and misfortune which has no name because society does not manage to single out these populations which exist in practically all of our countries and throughout our territories. What I would like to say is that particular attention should be paid in these programmes which we hope will continue this year and in 1981 and 1982 not only to the financial aspect — although it will always be possible to provide money and food aid — but also to a series of structural measures, regulations and legislation.

This is why, Madam President, I urge you to see to it that these programmes are drawn up as quickly as possible in our countries, so that you will have a maximum of information at your disposal. Of all the measures which strike me as essential, I might make particular mention of those which could be carried out via schools. In all our countries, efforts are made to insure that children receive a school education. Thus it is via the schools that we can do something about the misfortune and poverty of certain families which are genuinely isolated within our Member States. I should be very happy if the programme could be developed particularly in this direction, i.e. via the schools.

President. — I call Mr Kellett-Bowman on a point of order.

Mr Kellett-Bowman. — This is a question to the Chair, and to the House, as to how we can get through a large number of questions if Members are allowed to ask supplementaries at such great length.

Mr Zamberletti. — *(I)* As soon as Parliament has expressed its opinion, in pursuance of the procedure, the Council will examine the Commission's proposal with all due care and attention.

Mr Boyes. — The interim programme is the important point here. The Minister must be aware that people who are working on these projects already are getting tremendously worried about their future and the future of the programme. They are also concerned that they have built up a lot of expertise, a lot of data and a large number of resources and these may be lost if the interim programme does not take place during the period between the end of the first programme and what we hope will be the beginning of the second programme. Will the Minister assure us that he will be looking sympathetically at this interim programme? As

Boyes

a rapporteur for the Committee on Social Affairs and Employment, I can assure him that the full report will be before the Parliament within the next two or three months. We are concerned that the Council will look very sympathetically at the interim programme. It is a matter of urgency that we should get a decision from them.

Mr Zamberletti. — (I) It is the interim programme to which the Commission proposal refers, and for this reason the Council will be able to examine it as soon as Parliament has expressed its opinion.

President. — Before going on to the next question, I should like to remind you that Members should indeed put brief questions and not make full-scale speeches.

Since their authors are absent, Questions Nos 54 and 55 will receive written replies.¹

Question number 56 is postponed until the next part-session.

I call Question No 57, by Mrs Ewing (H-396/79):

At the meeting held at the end of 1979 between the Spanish member responsible for Spain's entry to the EEC and the Community Foreign Ministers, what were the main issues which could hold up negotiations?

Mr Zamberletti, President-in-Office of the Council. — (I) The negotiations for the accession of Spain to the Communities were formally opened on 5 February 1979. The substantive stage, in which the parties will seek to form together an overall view of the main chapters of the negotiations, was begun last September. The negotiating session at ministerial level held in December 1979 between the Communities and Spain was part of this 'overall view' stage. It enabled both parties to take stock of the negotiation chapters already broached during this stage and of the chapters — including some very important ones, such as agriculture, fisheries, social affairs etc. — to be covered in the coming months, with the object of forming an overall view.

Consequently, it is only when this exercise has been completed that it will be possible to establish clearly which problems are the most important and which solutions to them should be sought in the course of the fundamental negotiations which will subsequently be conducted sector by sector. This in fact is the procedure which has been followed in all previous accession negotiations.

Mrs Ewing. — I am disappointed with your answer. It is platitudinous and my question is factual. Are the

Council really going to adopt an ostrich attitude to this very simple question? Is the Spanish fleet, 252 % the size of the UK fleet, going to go into the North Sea, which is overfished, or are you going to make that a matter which settles the arrangements of Spain's entry — which I personally welcome? Could we not, fresh from Lomé, from the fact that the southern hemisphere is almost undeveloped in fish, in a starving world, could we not find a solution, as Mr Gundelach once indicated, in which Spain would go to West Africa and two benefits would accrue to the Community? First, Spain would have the fishing grounds which it needs for its fleet, and second, people in the African countries without the expertise could, in partnership with Spain, develop an undeveloped resource. I find it totally unsatisfactory that you will not deal with this matter and we get the kind of platitudinous statement that we have had when I have asked this question before.

Mr Zamberletti. — (I) The question of fisheries has not been discussed in the context of the negotiations regarding the accession of Spain to the Community.

However, the Council agreed on 29 January 1980 to the signing of a framework agreement with Spain regarding fishing.

I should also like to remind the honourable Member that catch quotas have been fixed by means of an interim agreement with Spain.

Mr Kirk. — (DK) Has the Council given any consideration to the question of whether Spain should be allowed to fish in areas where it has never had any traditional rights whatsoever, since I understood from Mrs Ewing's question that the very thing she was afraid of was that a situation might arise whereby the Council would accept, as part of the framework agreement and the final agreement, Spain being given rights to fish in part of the North Sea?

Is the Council at all considering giving Spain fishing rights in areas where she has never fished before?

Mr Zamberletti. — (I) As I have just said, the question of fishing has not yet been discussed. I can assure you, however, that when we come to discuss this matter, all these aspects — including those brought up by the honourable Member — will be carefully studied by both parties.

At this stage, the Presidency cannot predict what the outcome will be, as the question of fishing has not yet been discussed.

President. — I call Question No 58, by Lady Elles (H-458/79):

What steps has the Council taken and what further measures does it plan to promote economic and political

¹ See Annex.

President

cooperation with the Arab States bordering on the Persian Gulf with a view to increasing mutual understanding, furthering mutual interests and contributing to world stability?

Mr Zamberletti, President-in-Office of the Council. — (I) At its meeting on 5 February 1980, the Council agreed in principle that the conclusion of cooperation agreements with all the Gulf States seeking such agreements was an especially important Community objective.

It was also agreed that the Commission would, in close conjunction with the Presidency, undertake the necessary soundings to establish the Gulf States' reaction to this Community initiative. This process is at present under way.

Lady Elles. — Would the President-in-Office of the Council agree and reiterate that recognition of the right to self-determination of the Palestinians as part of an agreed settlement is crucial to progress in cooperation with the Gulf States? And would the President also undertake at the next Council meeting to make it a matter of urgency to consider this question and to take all the necessary steps to conclude an agreement with the Gulf States in view of their political, economic and security importance?

Mr Zamberletti. — (I) This is an entirely different matter. The agreement we are discussing concerns economic cooperation.

Mr Müller-Hermann. — (D) Does not the Council also regret that the Euro-Arab dialogue has very much run out of steam, and can I expect a reaction to the resolution which we adopted here unanimously following the last energy debate and according to which it is important — if only to ensure long-term energy supplies — that cooperation between the European Community and the Gulf States should be intensified in all areas, particularly the economic?

Mr Zamberletti. — (I) This very decision on the part of the Council to the effect that a report should be drawn up on the question of economic and political cooperation with the Gulf States reflects the Council's great interest in the points made by the honourable Member and to which he attaches so much importance.

President. — I call Question No 59, by Mr Megahy (H-460/79):

Has the Council raised the matter of the European Community moving towards a looser form of cooperation, as suggested by the French Prime Minister on 14 January 1980?

Mr Zamberletti, President-in-Office of the Council. — (I) The statement to which the honourable Member of Parliament refers has never been raised within the Council.

Furthermore, it is not for the Council to express an opinion on statements made by a Member State outside the Council.

Mr Megahy. — I find this a totally unsatisfactory answer. I would have thought that, if public statements of this kind are being made by the Prime Minister of one of the Member States of the Community about a matter of some substance for the development of the EEC, it would be the concern of that government and other governments within the Council of Ministers to ensure that this was being discussed. Could I suggest to the President-in-Office of the Council that they take very much to heart the passage in the speech made by Mr Barre, in which he indicated that the type of cooperation enshrined in the Treaty of Rome — namely that, the Institutions were implicitly federalist — had come to grief? Would he not consider that, at a time when this Community is changing rapidly, at a time when we are about to enlarge the Community, at a time when this Community is in complete disarray with regard to many financial and economic questions, it is the duty of the Council of Ministers to do some forward thinking? Would he accept from me that, if the Council of Ministers were to come up with a proposal for moving towards a looser form of federation, there are many Members in this House and many people in my country who would very much welcome thinking along these lines?

Mr Zamberletti. — (I) It is not normal for the Council to comment on statements made by a Member State or by a prominent representative of a Member State. For this reason, the Council's reply must be the conventional one it always gives to questions of this kind.

As regards the position of the Presidency regarding the second question, I should like to point out that the Treaties are a fact of life, and the Presidency takes the view that they should be fully respected.

Mr Lomas. — Since the overwhelming majority of the British people would be delighted if some way could be found of getting out of the obligations of the Rome Treaty and the Common Agricultural Policy, which have been so disastrous for the people of my country, does the Council not think it would be a good thing for the Council of Ministers, to talk about associate membership for Britain, which would only be helpful and of benefit to the people of Britain?

(Laughter)

Mr Zamberletti. — (I) All the Member States are entitled to their own opinions, but as far as the attitude

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of the Council is concerned, we have the Treaties, and it is the view of the Presidency that respect for the Treaties is the way to guarantee a healthy development the Community.

Mr Newton Dunn. — Does the President-in-Office of the Council realize that the last two speakers did not represent a majority opinion in the United Kingdom?

(Cries from some quarters on the left, applause from some quarters on the right)

Mr Zamberletti. — *(I)* Obviously, as far as the Presidency is concerned, everyone is responsible for his or her own statements in this House.

Mr Welsh. — Would the President-in-Office kindly confirm the statements, made earlier this afternoon in this House, that the British Government is unequivocally committed to membership of the EEC? Can he further assure us that the Italian presidency is using its best endeavours to find a solution to the various technical problems that divide us so that Members such as Mr Lomas will not be able to misrepresent people in the way he has just done?

Mr Zamberletti. — *(I)* As I said just now, the Presidency is in favour of and committed to full respect for the Treaties. It seems to me that this indicates the line we should take for a healthy and regular development of the Community.

President. — Since their authors are absent, Questions Nos 60 and 61 will receive written replies.¹

I call Question No 62, by Mr Hutton (H-474/79):

When will the Council approve the proposals for a resolution concerning the objectives and principles of forestry policy and for the setting up of a forestry committee?

Mr Zamberletti, President-in-Office of the Council. — *(I)* The Council is actively engaged in examining the draft resolution on the objectives and principles of a forestry policy and the draft decision on the setting up of a Standing Forestry Committee submitted to it by the Commission.

Mr Hutton. — This really does not tell us very much. May I ask the President-in-Office, while they are considering these proposals, whether the Council feels that these proposals will start us on the road to a common forestry policy? If so, what are the advantages

and what are the disadvantages that he can see in the setting up of such a policy?

Mr Zamberletti. — *(I)* In reply to a question by Mr Maher during Question Time the day before yesterday, Mr Gundelach stated that the Commission would this year be submitting a specific proposal for the development of forestry policy.

I hope this proposal may lead to some progress in this sector which we fully realize — I must stress — is a very important one, particularly following the outbreak and worsening of the energy crisis. I might add in a personal capacity, that I understand why the honourable Member is urging the Council to adopt a position more quickly and with more commitment, but I can in the meantime assure you of my personal awareness and concern regarding this major problem.

Mrs Squarcialupi. — *(I)* In view of the President-in-Office's obvious awareness regarding this problem, does he not think it essential that work on this document on forestry policy should be speeded up and that account should also be taken of the needs of certain countries, including Italy, in which forestry policy is linked with the protection of the environment which very often means the protection of human life? This demands a genuine political resolve.

Mr Zamberletti. — *(I)* I said that I personally was extremely concerned about this problem in view of its importance. As President of the Council I can assure you that as soon as the Commission has submitted its proposal, we will see to it that the Council soon gets down to a careful and positive study of it.

Mrs Kellett-Bowman. — Would the President-in-Office of the Council accept that the encouragement of forestry can greatly assist the prosperity of many of the least prosperous regions of the Community and provide jobs where jobs are desperately needed? Will he therefore communicate his own great goodwill to the rest of the Council of Ministers in getting such a policy going?

Mr Zamberletti. — *(I)* The point made by the honourable Member is interesting and underlines once more the importance of the Council's commitment on the base of the proposal to be submitted by the Commission.

Mrs Dienesch. — *(F)* Mr President of the Council, you have just said that your decision depended on the state of progress in the work of the Commission. This is exactly what we want to be informed about. We can very well understand your wish to act swiftly, but I imagine that the Council knows more or less when it

¹ See Annex.

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will be informed how far the Commission has got with its work and when it will be possible for decisions to be taken.

Mr Zamberletti. — (I) This is a question for the Commission. However, I might point out that, in the reply he gave the day before yesterday, Mr Gundelach stated that a proposal would be submitted this year. I think, therefore, that the Commission has committed itself to a certain extent regarding its timetable for work in this field.

Mr Natali, Vice-President of the Commission. — (I) I should like to confirm what Mr Gundelach said the other day. We intend to submit an overall proposal on forestry policy. This proposal will be complementary to the proposals we have already submitted on the Mediterranean regions.

President. — I call Question No 63, by Sir Peter Vanneck (H-478/79):

Following the failure of the Commission to obtain agreement on the setting-up of Community production capacity for titanium (H-286/79)¹, is the Council satisfied that existing supplies of titanium to the Community are reliable, secure and fairly priced?

Mr Zamberletti, President-in-Office of the Council. — (I) The Council has never been called upon to discuss this subject.

Sir Peter Vanneck. — Your answer, Mr Zamberletti, does not, of course, go far enough as far as I am concerned. . .

(Laughter)

. . . and I just wonder whether the Council accepts that an indigenous Community titanium capacity is essential for economic and strategic reasons. If I do not get an unequivocal yes, I regret to say that I shall have to pursue the matter further.

(Laughter)

Mr Zamberletti. — (I) I must admit that the point of view of the honourable Member is interesting. Nevertheless, I should like to remind you that, in answer in December 1979, the Commission said that numerous talks had been held with operators in this sector, which have led the Commission to make specific suggestions to these operators. This is indeed a field in which the Commission has shown and continues to show interest and on which it may well submit useful suggestions and proposals.

Mrs Lizin. — (F) Is the President-in-Office aware of the at least equal importance to the Community of the development of titanium metallurgy and does he know whether the Commission intends to make proposals regarding a coordinated policy in this field in the fairly near future?

Mr Zamberletti. — (I) The answer to the first questions is 'yes'. As regards the second question, i.e. whether or not the Commission intends to make a proposal to the Council, it is for the Commission to answer this question.

President. — Question No 64 has been withdrawn.

I call Question No 65, by Mr Seligman (H-481/79):

What steps is the Council taking to foster a Community involvement in the work of the European Space Agency?

Mr Zamberletti, President-in-Office of the Council. — (I) The Council has not received any proposal from the Commission on the subject and has not therefore had cause to discuss the point raised by the honourable Member's question.

However, I might remind you that all the Member States with the exception of Luxembourg have signed the Convention, and that the terms merely provide for the possibility of cooperation with international organizations including, obviously, the Community.

Mr Seligman. — This is not entirely satisfactory. In view of the remarkable growth in the activities of the European Space Agency in the last three years and the growing collaboration between the Commission and the Space Agency over a wide area of industrial policies — in particular in telematics — and in Lomé assistance projects, is it not essential that the nine members of the Community act together as a group and that the Commission should in fact have a seat on the Council of the ESA? If the will is there, surely a way will be found.

Mr Zamberletti. — (I) I acknowledge the honourable Member's point of view and agree that an initiative of this kind could be of some significance. However, I should like to make the point that the Convention does not provide for the accession of international organizations. Obviously, therefore, when I spoke of cooperation in my previous answer, I was referring to the legal limits to which this matter is subject.

President. — I call Question No 66, by Mr Schwartzberg (H-489/79):

In view of the enlargement of the Community to include European countries in which fundamental human rights,

¹ Debates No 249, 10. 12. 1979.

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such as the right to strike, are not fully recognized, is it not more than ever before necessary for the Community to accede to the European Convention on Human Rights?

Mr Zamberletti, President-in-Office of the Council. — (I) As indicated in the reply to Written Question No 584/79 put by Mr Glinne, the Council, like the European Parliament, has received a Commission memorandum on the accession of the European Communities to the European Convention on Human Rights and Fundamental Freedoms.

The subject is a very complex one from the legal point of view and requires very close consideration.

Mr Schwartzberg. — (F) Mr President-in-Office, as you are no doubt aware, the ratification procedure for the European Convention on Human Rights by the nine Member States of the Community is not complete, in that one Member State has not as yet ratified Article 25. Can you tell us whether the Council is prepared to suggest to this Member State that it should complete its ratification of this Convention, so that the citizens of all nine countries of Europe should finally enjoy the same protection?

Mr Zamberletti. — (I) It is not for the Council to put pressure on the Member State in question on this matter. However, I should like to point out to the honourable Member that the position of the Council on problems of human rights has been amply and consistently reiterated on various occasions, and I would say that these positions adopted by the Nine demonstrate that human rights is one of the fields in which their commitment is unswerving.

Mr Chambeiron. — (F) Does not the President-in-Office think that a list of violations of human rights in the nine countries of the Community should be drawn up?

Mr Zamberletti. — (I) Within the United Nations, the Nine have always firmly upheld the respect of human rights. In our view, the procedures agreed on and adopted internationally, as well as the appropriate international instruments, should be used effectively and to the full. There is room for further progress in this field, and the Nine will continue in their efforts to promote and apply the proposals relating to human rights.

Mr Sieglerschmidt. — (D) Mr President-in-Office, in view of your answer to Mr Schwartzberg, do you not think it would be possible, if not probable, that the examination of the accession of the European Community to the European Convention on Human Rights

might establish that this accession requires all Member States of the European Community to be parties to the Convention on Human Rights with the same rights and obligations, i.e. that all must make use of the possibility provided for by virtue of Article 25 of the Convention on Human Rights?

Mr Zamberletti. — (I) The honourable Member's question is interesting and raises complex legal problems which must be studied.

Mr Megahy. — Would the Council take into account, when considering this matter, that there will be particular difficulties relating to the United Kingdom where the accession of the Community to the European Human Rights Convention is concerned, because although the United Kingdom has ratified the Convention, the Convention has not been incorporated into British domestic law? Could I have an assurance that, when this matter is discussed in the Council, the implications of the Community being a signatory to the Convention should be carefully considered in the light of the special position of the United Kingdom, so that one does not get a clash of laws in that country?

Mr Zamberletti. — (I) Clearly, when examining any matter the Council takes account of all the elements involved.

President. — Since they deal with the same subject, I call questions No 67, by Mr Seefeld (H-491/79):

Have the governments of France and Luxembourg received a mandate from the governments of the other Member States to take or to prepare a decision on the question of the seat or the places of work of the Institutions of the European Community which will be binding on all the Member States?

and Question No 68, by Mr von der Vring (H-492/79):

There are reports of a declaration of intent by the President of the French Republic concerning an agreement between France and Luxembourg on the place of work of the European Parliament which seems to run counter to Article 216 of the EEC Treaty; to what extent is this declaration consonant with the principle of acting in the interest of the Community and to what extent will this damage the interest of the citizens of this Community which the directly elected European Parliament is supposed to represent?

Mr Zamberletti, President-in-Office of the Council. — (I) Under Article 216 of the Treaty establishing the European Community, it is exclusively for the governments of the Member States to determine the seat of the Community Institutions by common accord. The decisions already adopted on this subject in 1958 and 1965 are still valid. In addition, I can only reaffirm

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the contents of the letter sent by the President of the Council to the President of the European Parliament on 27 September 1977. The representatives of the governments of the Member States have not resumed their discussions on this subject since then.

Mr Seefeld. — (D) Mr President of the Council, what view do you take of the statement by the French President in which he said, in so many words, that France was determined to conclude an agreement with Luxembourg which would guarantee the interests of Strasbourg.

Is not this contrary to what you have explicitly described as in keeping with the Treaty?

Mr Zamberletti. — (I) When representatives of the governments of two Member States meet they can bring up Community questions of mutual interest. This happens continually in connection with a whole series of Community problems. However, I repeat, no decision can be taken on this matter without the unanimous agreement of the nine Member States.

Mr von der Vring. — (D) Has France or Luxembourg informed the Council of the outcome of their consultations on this matter? Is the Council prepared to inform the European Parliament itself on this matter, and does it not agree that it is one of the basic duties of the Council to keep this Parliament informed whenever matters concerning this Parliament are discussed at governmental level?

Mr Zamberletti. — (I) The Council has not been informed and therefore this problem does not arise at Council level.

Mr Sieglerschmidt. — (D) Mr President of the Council, is the Council aware that the decisions he referred to concern not the seat of the institutions under Article 216 of the EEC Treaty, but the provisional places of work? Is the Council furthermore aware that the fact that Article 216 has still not been implemented puts Parliament in a very difficult situation as regards its ability to work, and that in this situation Parliament will have to make decisions regardless of what happens or does not happen at the level of the governments of the Member States?

Mr Zamberletti. — (I) I fully understand the problems regarding the functioning of this Parliament and the organization of its work. However, I cannot change my reply regarding the problem of the need for unanimity on the part of the Member States, i.e. the need for a unanimous agreement on this question, since this is the crux of the matter.

Mr Schwartzberg. — (D) Mr President of the Council, in your initial reply to Mr Seefeld, you quoted the decision of the Foreign Ministers of 1958, confirmed by the decision of 1965. Am I to understand then that these decisions, which specified Strasbourg as the seat of the European Parliament, still apply fully and exclusively? Is this what your reply means, or if the matter is less clear-cut than that, do you not think that this question of the seat of the Parliament should be included on the agenda for the next European Council.

Mr Zamberletti. — (I) In September 1977, the then President of the Council, Mr Simonet, informed Mr Colombo, who at that time was the President of this Parliament, that the governments of the Member States felt that there was no need to modify, either *de facto* or *de jure*, the provisions in force regarding the provisional places of work of Parliament.

Mr Tyrrell. — The President-in-Office referred to the decision of 1958 as being still valid, but is he not aware that that decision by its terms, made in January 1958, was to last until June 1958, when the Council of Ministers were going to meet again, and that that decision has had no effect since June 1958? Further, do we understand from his replies that the governments of the Member States are not taking cognizance of the fact that by meeting in three different places as an elected Parliament of 410 Members, we are costing the European taxpayer some 16 million pounds a year and causing our staff to be inefficient and overworked and ourselves to have our efficiency greatly reduced? Is he saying that the governments of the Member States have taken no cognizance of any of these matters?

(Applause from the European Democratic Group)

Mr Zamberletti. — (I) The Council and the governments of the Member States are perfectly aware of the organizational difficulties which the current arrangement for the places of work entails.

I think, however, that the honourable Member is perfectly aware that the problem of the places of work of this Parliament is a delicate political problem, and that any decision on this matter requires the unanimous agreement of the Member States. Until such agreement has been reached, it will not be possible to change the existing situation. Therefore, if what this Parliament wants from the Presidency at this time is an assurance that it understands the problems, I can gladly give you this assurance. However, if it wants me to say something more than I have already said regarding the actual possibilities of changing the situation i.e. that there must be unanimous agreement, the Council's answer will almost certainly disappoint certain expectations which have been voiced here.

President. — Since its author is absent, Question No 69 will receive a written reply.¹

I call Question No 70, by Mr Provan:

Further to Written Question No 845/79² to the Commission, the movement of deceased persons can cause extreme difficulty to the bereaved family. Will the Council take action to expedite agreements being reached whereby the crossing of national boundaries will no longer be seen to be a barrier within the Community?

Mr Zamberletti, President-in-Office of the Council. — (I) As the Commission has already pointed out in its reply to Written Question No 845/79, this matter raises a series of problems which require detailed examination of the national provisions in force before determining those aspects which could be taken into consideration in the context of the provisions of the Treaty.

As already announced to Parliament, the Commission intends to conduct enquiries with the Member States into the national provisions in question, and it therefore seems advisable to await the outcome of these enquiries and the conclusions which the Commission might draw from them before adopting a decision on this matter.

In a personal capacity, I might add that I appreciate the initiative taken by the honourable Member of drawing the attention of the Commission and the Council to this question.

Mr Provan. — I do not want to furnish any horror-stories that might frighten people, but it is one of the problems of the development of Europe that do matter to people, especially when they are bereaved and under great stress. I personally had a constituent who took 16 days to get their spouse's body from France back to the United Kingdom for burial. For anybody in those conditions to have to undergo that type of treatment at the hands of bureaucracy — which is what it is basically — is entirely wrong, and I would ask the President-in-Office to use every endeavour to make sure that this type of legislation can come forward as soon as possible, so as to make it easier for the people of Europe to understand what we are trying to do.

(Applause from the European Democratic Group)

Mr Zamberletti. — (I) I should like to repeat that I fully appreciate the reasons for the honourable Member's concern. I repeat that the Council expects to be informed in the near future of the outcome of the Commission's enquiries referred to in the answer given

in this House on 12 December 1979. We hope that, when this enquiry has been completed, we will be able to proceed rapidly and to overcome the problems referred to by the honourable Member.

Mr Patterson. — I was very glad to hear that this matter is being investigated, but I should like to ask the President-in-Office about another aspect of the matter. Is he aware that problems arise not only when deceased persons have to cross national frontiers, but also when the relevant documents are involved? I have had brought to my attention recently the case of a constituent in Kent whose French husband died in Dunkirk while he was at the wheel of a lorry. A post mortem was conducted and the deceased was buried some days later. This happened in July last year. Since then the widow, my constituent, has tried unsuccessfully to obtain the findings of the post mortem from the French authorities. This means that she cannot claim any compensation that may be due in the United Kingdom. Does not the Council feel that this, as well as the matter of the bodies themselves crossing the frontiers, falls within the competence of the Community? Would the President-in-Office ask the Commission to prepare proposals in this area as well, and meanwhile would he like to bring this particular problem to the attention of the French Government?

Mr Zamberletti. — (I) This problem — which is a real one — is one of the many attached to this question.

It is indeed the intention of the Commission's enquiry to clarify all these aspects so that it will then be able to submit a package of proposals with a view to solving all the questions involved in this problem.

Mrs Dienesch. — (F) My country has been criticized in this Assembly for the third time. May I ask the President-in-Office of the Council whether he agrees that he should also take exception to the various difficulties caused not by France, but by the other countries of Europe. I find it very displeasing that the President of the Republic, the Prime Minister, Mr Barre, and now our administration — which, like many others, is certainly not perfect — should be systematically attached.

Mr Zamberletti. — (I) The Commission's enquiry covers all the Member States both because of the variations in conditions and legislation regarding this matter from one country to another and in order to obtain information on all the elements which will permit the Commission to submit a proposal which takes account of the various national legislations.

When this work is completed, we will certainly be in a position to draw up an appropriate proposal.

¹ See Annex.

² O.J. No C 19, 24.1.1980, page 17.

President. — I call question No 71, by Mrs Squarcialupi (H-507/79):

Given that the taking of drugs, particularly heroin, is becoming an increasingly serious problem which cannot be tackled by individual countries or in isolation from the related complex of social, medical, legal, educational and public security aspects, and bearing in mind upstream factors such as the production and sale of drugs, does the Council not feel that it should convene a meeting in Council of the national Ministers responsible for these various aspects to tackle on all fronts this tragedy which afflicts our countries and claims at least 1 000 victims annually?

Mr Zamberletti, *President-in-Office of the Council.* — (I) The problem of measures to combat drug taking is essentially a matter for the Member States. The Council is nonetheless aware of the gravity of the problem and notes that for some time now the Member States have been participating in the work of an intergovernmental group, set up by the former President of the French Republic, Mr Georges Pompidou, which is particularly concerned with the drug problem. Moreover, the Council I has been informed that the Commission plans to undertake certain studies on this matter.

Mrs Squarcialupi. — (I) I should like, if I may, to draw a comparison between this question and the previous one. The difficulties surrounding the transport of deceased persons within the Community appear to be matched by the ease with which killer drugs and their dealers can move from one country to another.

Does not the President-in-Office therefore think that this situation calls for a clear political resolve, and that we should not simply hear him saying that this is a problem for the Member States? So many other things are matters for the Member States but have nevertheless been discussed at Community level. Should there not be a clear political resolve to intervene on the part of the Council in view of the fact that it is above all the advantages deriving from the principles of the free movement of goods and persons within the Community which make trafficking in drugs so easy in our countries.

Mr Zamberletti. — (I) The fact that this matter comes within the competency of the Member States does not prevent the Council taking action as witness the fact that we are intending to hold a meeting of the Council of Health Ministers and to cooperate at international level via the inter-governmental Pompidou group, which may enable us to use instruments which are already widely used in this field.

The Presidency recognizes the scale of this problem and, bearing in mind all the legal aspects affecting relations between the Council's initiative and that of the

inter-governmental group, will do what it can to make the next meeting of the Council of Ministers serve as a reference point for the examination of a Community initiative.

Mr Newton Dunn. — Would the President of the Council, at the meeting of Health Ministers which he has just mentioned as coming, kindly put on the agenda two particular items about drugs?

The first is the appallingly low level of financial contributions made by the nine Member States of the EEC to UNFDAC (the United Nations Fund for Drug Abuse Control). He may like to know that last year, for the 410 Members of this Parliament, the nine Member States together contributed one-quarter of one single unit of account towards the fight against drug abuse in the world.

The second item which I would ask him to put on the agenda is the very low level of officials sent by the nine member governments to discuss this problem at international meetings. If he could arrange that high-level government officials or ministers attended these meetings, that would be treating the subject with the importance it deserves.

Mr Zamberletti. — (I) I thank the honourable Member for his suggestions to the Commission and take due note of what he has proposed.

Mrs Roudy. — (F) Could the Council tell us exactly what it intends to recommend to the Member States regarding the fight against drug trafficking and, in particular, against the organizations — which are obviously under cover organizations but which can nevertheless be identified — which are involved in this trafficking?

Mr Zamberletti. — (I) These questions are currently being studied by the inter-governmental group. Since the inter-governmental group has considered a fairly-large scale programme of work in this field, the Commission might — since it intends to undertake some studies into this questions — be able to play a part in drawing up an integrated series of initiatives which should not be fragmented but which we should endeavour to make as effective as possible.

President. — Since its author is absent, Question No 72 will receive a written reply.¹

I call Question No 73, by Miss Brookes (H-517/79):

Will the Council state what was the substance of its discussions on the subject of aid to marginal lands at the

¹ See Annex.

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meeting of the Agriculture Ministers on 21 January 1980 and declare what conclusions it arrived at?

Mr Zamberletti, President-in-Office of the Council. — (I) At its meeting on 21 and 22 January 1980, the Council continued its examination of certain specific matters relating to the general file on structures, and in particular of the amendments to be made to Directive 75/268/EEC on mountain and hill farming and farming in certain less favoured regions. The Council held a policy debate on raising the ceiling of the compensatory allowance and reducing the minimum size of holdings eligible for that allowance.

In conclusion, the Council instructed the Special Committee on Agriculture to study the possible solutions in greater depth, in order to facilitate the taking of a decision in the general context of other structural measures at one of the Council's forthcoming meetings. The Council will, of course, take into account the Opinion which the European Parliament is due to deliver during its current part-session.

Miss Brookes. — I listened to the answer that you gave me, Sir, with disappointment. I am going to ask you this, and I should be grateful if I might have a more specific answer than the previous one. Will the Council of Ministers agree to extend the EEC Directive which you have already mentioned, No 75/268, so as to widen the boundaries of the less-favoured areas in the United Kingdom to include certain land, perhaps Grades 3 and 4 designated by the UK Minister of Agriculture, and what conditions must prevail in the Community to bring this about?

Mr Zamberletti. — (I) The Council is currently examining these problems, and it is therefore not possible for me to predict the outcome of these discussions here today. However, I might add in a personal capacity — this is a personal view of the Presidency — that this question involves particularly difficult economic and social situations which must be taken into account in the development of the agricultural policy and within the context of the greater commitment on structural measures as requested by this Parliament.

Mrs Kelleth Bowman. — Will the President-in-Office bear in mind, when the points raised by my honourable friend, Miss Brookes, are discussed, that these farmers on the marginal lands get neither the benefit of the good lowland production nor the hill compensatory allowance? They are the lack of meat in the middle of the sandwich, if I may put it that way, and they are in a very difficult situation at the present time. If these go out of production, then others down below will suffer. It is a very serious matter indeed and wants the utmost attention of the Council.

Mr Zamberletti. — (I) Parliament will be giving its opinion. Obviously, the Council will take account of what has been said in connection with this question, but the main thing is that it will not be able to disregard the views expressed in the Opinion expressed by this Parliament.

President. — We proceed with the questions addressed to the Foreign Ministers Meeting in Political Cooperation.

I call Question No 74, by Mr Jackson (H-480/79):

What steps are the Foreign Ministers taking to obtain ratification by Member States and by other countries of the Additional Protocols to the 1949 Geneva Convention, adopted by the International Conference on Humanitarian Law in Armed Conflict, in order that starvation of populations may be outlawed as a method of warfare?

Mr Zamberletti, President-In-Office of the Foreign Ministers. — (I) The Nine are aware of the complexity of the humanitarian implications of the Geneva Convention of 1949 on the protection of the victims of armed conflict. Two of the provisions of this Convention, i.e. Article 54 of the First Protocol and Article 14 of the Second Protocol, concern the prohibition of depriving civil populations of food supplies during hostilities. This question has formed the subject of consultation at international level, but has not been discussed within the context of European cooperation. The honourable Member will therefore understand that the Presidency cannot reply to his question on behalf of the Nine.

Mr C. M. Jackson. — Would the President-in-Office not agree that events in Kampuchea are the most recent and most horrific example of the use of starvation of a population as a method of warfare? Will the Foreign Ministers acting in political cooperation consider arraigning before the International Court of Justice those countries which are signatories of the 1949 Geneva Convention and which either directly, or through proxies who may not be signatories, use starvation as a method of warfare, for example the Soviet Union in relation to Kampuchea?

Mr Zamberletti. — (I) The views of the honourable Member are worthy of consideration. Nevertheless, I am sure that he will realize that I cannot answer on behalf of the Nine on a question which has not been discussed within the context of political cooperation.

In addition, this matter is the subject of Additional Protocols to the Geneva Convention and particularly concerns problems of security and defence, which is why it would be difficult for it to be discussed under political cooperation. This does not, however, mean that it might not be discussed in this context.

Mr Purvis. — Even if the nine Member States have apparently not discussed the subject in this connection, they must certainly have discussed the problem of Kampuchea and the aid going to the Kampucheans. The Commission last month informed us that they were having considerable difficulty in ensuring that this aid was distributed. Have the Foreign Ministers of the nine Member States working in political cooperation made representations to the governments at the receiving end, in order to secure the distribution of food and medical aid to the people of Kampuchea? In view of the impending problems of the next monsoon season and the failed harvest, will they at least make representations now, if they have not done so already?

Mr Zamberletti. — (I) The honourable Member's supplementary does not relate directly to the original question. Nevertheless, I should like to say in a personal capacity that I recently met Mr Grant, the Executive Secretary of UNICEF, who informed me about aid and the distribution of food to the people of Cambodia, and he told me that, according to an on-the-spot report, the situation as regards supplies to the civil population of Cambodia was gradually improving.

President. — I call Question No 75, by Mr Lomas (H-485/79):

Further to the question I had tabled at the January part-session (H-336/79) and having regard to the unsatisfactory and incomplete written reply which I received, will the Ministers tell me why they make representations regarding alleged lack of human rights in many countries throughout the world but will not do so in the case of China?

Mr Zamberletti, President-in-Office of the Foreign Ministers. — (I) The Nine do not regard the reply they gave to Question H-336 by the honourable Member as unsatisfactory and incomplete. The general position of the Nine regarding human rights has been stated on various occasions, the most recent of which being 25 September 1979 in the speech by the then President-in-Office to the 34th General Assembly of the United Nations.

The Nine take the view that the traditional attitude of the Community regarding human rights should apply to all countries without exception. However, in practice it is not possible to make a protest in every case of infringement of human rights. Generally speaking, protests have therefore been restricted to the most flagrant cases where governments have continually violated fundamental rights or where there was reason to believe that protests of this kind might be of some effect.

While acknowledging that the situation in China as regards human rights is not perfect, the Nine neverthe-

less feel that considerable progress has been made in recent years.

Mr Lomas. — In the case I raised in my previous question, a Chinese citizen, Mr Wei Jingsheng, had been arrested and sentenced to fifteen years in jail for protesting against the government and calling for greater freedom and recognition of human rights. Following that sentence, more Chinese citizens were arrested simply for trying to distribute copies of the report of his trial. I am not sure what the Ministers mean when they say that they want fairly strong evidence, or words to that effect. Would not the Foreign Ministers agree that if this had happened in an East European country there would have been immediate vigorous protest, so why the deafening silence and hypocrisy in the case of this persecution of Chinese citizens?

Mr Zamberletti. — (I) As regards the trial and sentencing of a citizen of the People's Republic of China, the Nine stated in their reply to the honourable Member that as far as they could see the trial had taken place according to the law and that there had been no mention of protests. This is what the Nine said in reply to the honourable Member's specific question. Nevertheless it must be repeated that the Nine have always endeavoured to act in firm and clear defence of human rights, taking account as I said before, of the peculiarities of each situation, be it the denial of violation of human rights, the usefulness of the initiative or the chances of its achieving positive results. The honourable Member will, I am sure, understand that it is not possible for the Nine to take joint action in every case. Unfortunately, we are constantly receiving reports of cases of violation of human rights.

However, the Nine do regard human rights as one of the fields in which they have a permanent joint obligation and feel that it is their duty to defend human rights wherever and whenever action on their part appears useful and feasible.

Sir Peter Vanneck. — I am delighted that from the length of his replies it is perfectly obvious that the Italian President knows more about China than about titanium — wearing his other hat. (Laughter) But the question I would ask is, I think, very much in the flavour of the answers that have already been given.

Does the Conference of Foreign Ministers not agree that since the fall of the Gang of Four there have been improvements—small but nevertheless positive—in the human rights situation in China, as evidenced by poster protest; the reappearance of Protestant and Catholic church leaders, after decades of silence; the reopening of churches; renewed contact between Chinese and Japanese Buddhist leaders; the recent decision to publish a new edition of the Bible in Chinese and the forthcoming visit to China of two Cardinals? Should

Vanneck

the Ministers not therefore approach any problems in China in a conciliatory and encouraging manner, rather than in the condemnatory way that Mr Lomas appears to want?

Mr Zamberletti. — (I) Even if we know more about titanium than about China, for anyone who is politically committed to their defence the problem of human rights is certainly more important than titanium, even if titanium is very important.

(Laughter)

As regards the policy of the Nine on human rights, it is not a question making use of them in order to attain certain specific political objectives which have nothing to do with the real respect of human rights. Therefore, our attitude to human rights applies across the board, regardless of incidental interests, in our dealings with any country or nation whatsoever.

Lord Bethell. — Does the President-in-Office accept that while the European Community should take an interest in violations of human rights throughout the world, it is right that it should give particular attention to violations of human rights in our own continent of Europe, particularly when human rights and fundamental freedoms are guaranteed by the Helsinki Final Act, which has been signed by every European country but one?

(Applause from various quarters)

Mr Zamberletti. — (I) As regards the defence of human rights, the protests of the Nine are limited to the most flagrant cases in which governments have violated fundamental human rights or when there is reason to believe that protests of this kind might be effective.

While recognizing that in questions of human rights, a minor violation can be just as important as a major violation, the Nine nevertheless take the view that initiatives should be taken when all the essential elements occur simultaneously, i.e. the seriousness, scale and continuing nature of the violation and the usefulness, in the sense of producing the desired effect, of the initiative — i.e. the possibility of actually contributing to the solution of the problem.

Mrs van den Heuvel. — (NL) The President-in-Office has mentioned a number of criteria according to which the nine Foreign Ministers will react in one case of violation of human rights and not in another.

May I ask whether he subscribes to the criterion used in the one case, i.e. that charity begins at home, and to the criterion used in the other case, i.e. that there have been certain minor improvements, such as the fact that

the churches in China have been given some elbow room?

If so, the Community should in future perhaps refrain from protesting about violations of human rights in one of the Eastern European countries, since the churches there have a certain amount of freedom too, and it has even managed to produce a pope. However, in my view, these are not the right criteria to apply.

Mr Zamberletti. — (I) On this point I should like to repeat what the Nine stated in the United Nations. Mr O'Kennedy, the then President-in-Office of the Council said 'we think that the procedures agreed upon and adopted by the Member States and the relevant international instruments should be applied completely and effectively. There is scope for further progress in this field, and the Nine will continue in their efforts to promote all the proposals concerning human rights.

President. — I call Question No 76, by Mr Harris (H-486/79):

Given that Greece is to join the European Community on January 1, 1981, will the Council of Ministers support the suggestion of the Prime Minister of Greece that the Olympic Games should once more have a permanent home in the land of their birth?

Mr Zamberletti. — *President-in-Office of the Foreign Ministers.*(I) The Nine are aware of the proposal by the Prime Minister of Greece to the effect that Greece should become the permanent home of the Olympic Games. The matter has not as yet been discussed within the context of political cooperation. The honourable Member will therefore understand that the Presidency is not able to answer his question.

Mr Harris. — Will the President-in-Office of the Council see that the Foreign Ministers meeting in political cooperation do indeed consider this as a matter of urgency? As this House — rightly, in my opinion — has called on the athletes of the Member States not to go to Moscow so long as Russian troops are still in Afghanistan, will the Council then take the lead in making it possible to organize games which are true to the Olympic ideal on an international site in Greece next year, 1981?

Mr Zamberletti. — (I) I have taken due note of the points made by the honourable Member, but can only repeat that the Nine have not yet discussed this problem or considered this proposal.

Mr Marshall. — Could we have an assurance that the Nine will discuss this very urgently? Would the President-in-Office not agree that the cost of moving the

Marshall

Olympic Games around various centres is now so astronomical as to deter many countries from hosting the games and that a permanent site would be financially much more sensible and politically much more advantageous to the Community if it were to be in the centre of the new member, Greece?

Mr Zamberletti. — (I) The honourable Member will realize that when the Presidency answers on behalf of the Nine he cannot make statements which are not based on a joint decision adopted by the Nine. In this House, the President of the Council does not represent any single person or opinion, but the joint decision of the Nine. As I said before, this matter has not been discussed by the Nine, and even if the economic aspects strike me as interesting, it is not possible for me to give a reply to the points made by the honourable Member.

Mr Prag. — In the light of his replies this evening, which generally have been along the lines of the last replies — in other words, that the matter has not yet been discussed by the Foreign Ministers meeting in political cooperation — could the President-in-Office perhaps explain to us how it is that the Foreign Ministers of the Community take such an extraordinarily long time to get round to discussing virtually every topical question in political cooperation?

(Laughter)

Mr Zamberletti. — (I) As you know, political cooperation operates on the principle of unanimity. It is therefore not only a question of discussing matters but of arriving at a joint opinion.

Establishing a common position is important as it gives weight to a joint political initiative, but at the same time it is a slow process and there are, understandably, difficulties of approach.

The fact that the various procedures can take a long time is the price we have to pay for the positive results of joint action. I must say that political cooperation is not unaware of this matter, which underlines the importance of political cooperation between the Nine, which I personally regard as one of the most significant achievements of European unification.

Mr Maher. — In view of the answers given by the President-in-Office and since the Foreign Ministers have not yet discussed this question, and since they will, I hope, be discussing it very shortly, and since it is now highly unlikely that the games in Moscow will be anything but a mere shadow of a true Olympic event, and since it would be impossible at this point in time to organize alternative games in any single place in any

other part of the world, would the Council perhaps consider advising that different events be held at different venues around the world so that the athletes who have been training so hard over a number of years would have the possibility of taking part in an Olympic event, thereby ensuring that the games can be held though not necessarily on the same site? Furthermore, could they not be brought together, perhaps by well-coordinated television coverage which would broadcast them to the community at large?

Mr Zamberletti. — (I) As the honourable Member is aware, the Nine have not reached a definitive joint decision on the question of the Olympic Games. This does not mean that Parliament's opinions and views are not important since in making the political decision on this point, the Nine should first and foremost take account of the opinions, views and debates of this Parliament.

In answer, therefore, to those who complain that the Nine do not always have a common position, I should like to say, for your consolation, that the Council can, when making its decisions, take as its basis the capacity of Parliament to suggest political positions and initiatives.

President. — I call Question No 77, by Mr Sieglerschmidt (H-497/79):

In view of the answer given by the Ministers meeting in political cooperation to Questions H-411/79 to H-415/79 on compensation for the victims of acts of violence, the Ministers are asked:

Do the Ministers consider it compatible with Parliament's right to pose questions that they are obviously only prepared to answer on subjects already being dealt with in political cooperation and, in particular, do the Ministers consider it justifiable to negotiate in political cooperation on the pursuit of crime but to refuse to discuss compensation for the victims?

Mr Zamberletti, President-in-Office of the Foreign Ministers — (I) The Presidency regrets that it must repeat that, since the specific question of compensation of victims of acts of violence have not been discussed under political cooperation, it is not able to reply on behalf of the Nine. Furthermore, in the answers given to Questions No H-411, H-412, H-413, H-414 and H-415, the Presidency pointed out that current cooperation on legal matters related to questions of penal law, which clearly does not include the question of compensation. As regards the fundamental question brought up by the honourable Member, the Presidency would like to remind you that, under the agreement with Parliament concerning questions put to the Foreign Ministers meeting in Political Cooperation, it is not possible, as explained in Mr Thorn's letter of 10 May 1976 to Mr Spénale, to give a reply on behalf of the Nine on questions which have not yet

Zamberletti —

been discussed within the context of political cooperation.

Mr Sieglerschmidt. — (D) Mr President-in-Office of the Foreign Ministers, following on from what has already been said regarding answers given by the President of the Foreign Ministers to Parliament, might I ask you whether the tabling of a question by a Member should not at least be a reason for the Ministers to consider this question — as soon as possible, of course — so that they will at least be able to give a provisional answer? Does not the President of the Foreign Ministers agree that — as I have already suggested in my question — the right of this Parliament to put questions is otherwise limited to matters which the Ministers have already discussed — and would it not be better if the Ministers were to give us a provisional answer rather than for Members to have to put the same questions at each Question Time until the Ministers finally get round to discussing the matter and giving us an answer?

Mr Zamberletti. — (I) I am afraid that the Presidency obviously cannot give Parliament its opinion on matters which have not been discussed between Parliament and the Council.

However, I will take note of this suggestion as I believe that a request from Parliament on this matter could certainly be useful for the Presidency. It is in fact possible to take steps, in spite of the difficulties which, objectively speaking, we may encounter in consultations as delicate as this. Perhaps this is frequently a slow process because of the very fact that it is a delicate matter. Nevertheless, nowadays it is producing major positive results for Europe.

President. — Question Time is closed.¹

12. *Deadline for tabling amendments*

President. — Since the Provan report (Doc. 1-10/80) on sheepmeat has only just been distributed, I propose that the deadline for tabling amendments be extended to 10 a.m. tomorrow, 13 March 1980.

Since there are no objections, that is agreed.

13. *Urgent procedure*

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

- motion for a resolution (Doc. 1-6/80/rev.), tabled by Mrs Maij-Weggen and others, on the urgent signing and ratification of the UN Convention prohibiting any form of discrimination against women;
- motion for a resolution (Doc. 1-9/80), tabled by Mr Seal and others, on the UK Government's proposals for immigration controls;
- motion for a resolution (Doc. 1-11/80), tabled by Mr Penders and others on behalf of the Group of the European People's Party (CD), on the measures to be taken following the elections in Zimbabwe-Rhodesia;
- motion for a resolution (Doc. 1-12/80), tabled by Mrs Le Roux on behalf of the Communist and Allies Group, on emergency aid for Brittany hit by a new oil slick;
- motion for a resolution (Doc. 1-15/80), tabled by Mr Ligios and others, on the distribution of the Community market in apples;
- motion for a resolution (Doc. 1-16/80), tabled by Mr Balfe and others, on certain consequences of the provisional twelfths system

The reasons supporting the requests for urgent debate are contained in the documents themselves.

I shall consult Parliament on these requests at the beginning of tomorrow's sitting.

14. *Agenda for next sitting*

President. — The next sitting will take place tomorrow, Thursday, 13 March 1980, from 10 a.m. to 1 p.m., from 3 p.m. to 8 p.m. and from 9 p.m. to 12 midnight, with the following agenda:

- decision on urgency of six motions for resolutions
- D'Angelosante report on transferable securities
- joint debate on Buchou report and three oral questions to the Commission on problems of the wine market
- Buchou report on basic products
- Ligios report on fruit and vegetables
- Provan report on sheepmeat
- Sutra report on liqueur wines
- Filippi report on SMUs in Portugal
- Seeler report on EEC-ASEAN relations
- Sablé report on the supply of milk fats
- Gillot report on the Law of the Sea

3 p.m.: voting time

The sitting is closed.

(The sitting was closed at 7.10 p.m.)

¹ See Annex.

ANNEX

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

1. Questions to the Council

Question No 54, by Mr Poncelet (H-409/79)

Subject: Allocation of oil imports in 1980

What progress has the Council made towards an agreement on a binding allocation of oil imports among Member States for 1980?

Answer

At its meeting on 4 December 1979 the Council confirmed that the Community would ensure that the target of holding net Community oil imports between 1980 and 1985 to a yearly level equal to or less than that for 1978 was achieved and agreed on the import target for 1980 taking account, with respect to the allocation among Member States, of the determination of each Member State not to exceed the ceilings set.

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Question No 55, by Mr Ansquer (H-410/79)

Subject: Allocation of non-quota sums from the Regional Fund

Can the Council explain its delay over the allocation, in accordance with the Commission proposals, of the first payments from the non-quota section of the Regional Fund, which are earmarked in particular for southwest France?

Answer

On 16 October 1979, the Commission forwarded to the Council five proposals for regulations implementing specific Community regional development projects under Article 13 of the basic Regulation of the European Regional Development Fund. The five proposals provide *inter alia* for a certain allocation among various projects and various zones of monies from the non-quota section.

The Council consulted the European Parliament on these proposals on 25 October 1979, but as it has not yet received the Parliament's opinion it is unable to take a decision for the time being.

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Question No 60, by Mr Ruffolo (H-466/79)

Subject: European Council report to Parliament

Having regard to the resolution adopted by the European Parliament on 23 October 1979 asking the European Council to report on the outcome of the Dublin summit, why has the latter taken no steps to reply to Parliament?

Answer

The President-in-Office of the Council informed Parliament at its sitting on 12 December 1979 of the results of the European Council meeting in Dublin on 29 and 30 November.

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Question No 61, by Mr Didò (H-468/79)

Subject: Relations between the European Council and Parliament

What attitude does the European Council intend to adopt *vis-à-vis* the European Parliament in the light of the recommendations contained in the report of the 'three wise men'?

Answer

The Council attaches great importance to good relations with the Parliament, as the President of the Council emphasized in his programme statement.

However, the European Council has not yet taken up a position on the suggestions made to it in the report of the 'three wise men', suggestions which concern among other things relations with the European Parliament.

I shall of course keep the Parliament informed of the outcome of these discussions as soon as they have taken place.

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Question No 69, by Mr Caillavet (H-493/79)

Subject: Encouragement for beef cattle raising

Would the Council indicate if it intends to grant — before the fixing of farm prices — urgent aid in the form of a Community subsidy for suckler cows later to become beef cattle and does it not consider that it would be better to encourage meat production rather than to penalize milk production?

Answer

As matters stand the Council is not yet in a position to state what action will be taken on the particular Commission proposal fixing for the 1980/1981 marketing year the guide price for adult bovine animals and introducing at the same time a premium for maintaining herds of nurse cows.

The Council is aware of the existing imbalance between the production of milk and that of meat, so much so that it has already introduced a system of premiums for the non-marketing of milk and milk products and for conversion to the production of beef and veal; moreover the Commission proposes to extend these arrangements for the coming marketing year and to allow this premium to be granted concurrently with that proposed for holders of nurse cows.

It nonetheless seems unlikely that the Council will take a decision on the Commission proposal on the guide price and nurse cow premium before it fixes the agricultural prices:

- in the first place because prices and premiums are dealt with in the same Commission proposal;
- secondly because the European Parliament will not deliver its Opinion on the 'prices and related measures' package (including the proposal in question) until its special part-session from 24 to 26 March 1980,

— and finally because, by taking a decision at a later stage on all the measures proposed, the Council will be in a better position to assess the particular measure in question in the context of its decisions on prices and on the adjustment of the common

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Question No 72, by Mr Van Miert (H-514/79)

Subject: Appointment of a political Secretary-General for the Community

Does the Council not consider that the proposal made by the German Minister of State, Mr von Dohnanyi, that a political Secretary-General should be appointed for the Community in order to give assistance to the changing Presidency of the Council would further diminish the Commission's already weakened role in the decision-making process?

Answer

The proposal to which the honourable Member refers was made in the context of the study which the European Council requested of the Three Wise Men's report.

The European Council plans to discuss this report at its next meeting and only then will it be in a position to comment on the various suggestions contained in the report and on other proposals such as those made by Mr van Dohnanyi.

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2. Questions to the Foreign Ministers

Question No 78, by Mr Provan (H-503/79)

Subject: Greece's application for entry to the Community

Will the Foreign Ministers give details of the conditions of imprisonment of Greek nationals who are imprisoned as conscientious objectors?

Answer

The specific issue raised by the honourable Member has not been discussed in the framework of European political cooperation. Consequently, the Presidency is not in a position to reply to his question.

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Question No 79, by Mrs Lizin (H-523/79)

Subject: Special UN conference on the position of women, July 1980, Copenhagen

Has the Presidency submitted concrete proposals on the two items of the agenda concerning:

- the position of women in southern Africa and aid measures;
- the position of Palestinian women?

What is the content of these proposals?

Answer

So far, only preliminary consultations have been held, within the arrangements for European political cooperation, on the World Conference of the United Nations Decade for Women to be held in Copenhagen in July 1980 under the aegis of the United Nations. Consequently, it is too early to formulate conclusions as to practical initiatives which the Nine may take during the conference.

The 23rd session of the United Nations Commission on the status of women has only just finished in Vienna and the last session of the preparatory committee of the World Conference on Women will begin in New York in the next few weeks. Only when conclusions have been drawn from these two meetings can a number of points still outstanding concerning the Copenhagen conference be clarified.

With regard to the two points raised by the honourable Member, I would remind the House that the nine Community countries take the view, stressed on a number of occasions, that the Copenhagen conference should remain universal in character and be held free of excessive politicization. The nine governments believe that the conference has a crucial role to play in the achievement of the objectives set for it by the United Nations General Assembly, identified as equally 'development and peace'. In these circumstances, the Nine — during the 33rd session of the GA in 1978 — joined the consensus about the introduction of a separate agenda item on the effects of *apartheid* on women in southern Africa, but — during the 34th session of the GA in 1979 — expressed firm reservations, which they maintain, concerning the inclusion in the agenda of problems of a political nature or problems related to specific groups of women. They made this clear in an explanation of vote when abstaining on Resolution 34/160 concerning the inclusion in the provisional agenda of the conference of an agenda item on the effects of Israeli occupation on Palestinian women inside and outside the occupied territories.

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IN THE CHAIR: MR VANDEWIELE

Vice-President

(The sitting was opened at 10. 15 a.m.)

President. — The sitting is open.

1. Approval of minutes

President. — The minutes of proceedings of yesterday's sitting have been distributed. Since there are no comments, the minutes of proceedings are approved.

2. Documents received

President. — I have received the following documents:

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

— proposals from the Commission to the Council concerning food aid programmes for 1980 (Doc. 1-5/80),

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

— proposal from the Commission to the Council for a directive on a special Community certification proce-

President

ture for products originating in third countries (Doc. 1-7/80),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on External Economic Relations for an opinion;

(b) from Mr Provan on behalf of the Committee on Agriculture:

— report (Doc. 1-10/80) on sheepmeat;

(c) the following motions for resolutions tabled pursuant to Rule 25 of the Rules of Procedure:

— motion for a resolution (Doc. 1-13/80), tabled by Mr Newton Dunn, on the establishment in the port of Grimsby of a European Communities' Centre for Education, Training, Research and Consultancy in fisheries,

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Energy and Research and the Committee on Youth, Culture, Education, Information and Sport for opinions;

— motion for a resolution (Doc. 1-14/80), tabled by Mr Sayn-Wittgenstein-Berleburg, Mr Janssen van Raay and Mr Hoffman, on the economic aspects of the Third Conference on the Law of the Sea,

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Political Affairs Committee for an opinion.

3. Agenda

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

Mr Provan. — Mr President, as rapporteur to the Committee on Agriculture on sheepmeat, I request that it be taken back to committee for further consideration. I do this for two reasons

Firstly, I think there is a certain amount of confusion on the timing. The report was available to Members of this House for the first time this morning and amendments had to be in by 10 a.m. yesterday. The confusion also arises because the President told this House at the close of business last night that amendments had to be in by 10 a.m. this morning, and I think that was misinformation. Therefore on the grounds of the amendments alone I would like to take it back to the committee.

There are also budgetary consequences as a result of amendments that were approved by the committee, which only met on Tuesday. Therefore, I formally ask

that it be taken back to committee and that we do not debate it this morning, but during the April part-session of this Parliament.

President. — This request is automatically granted, pursuant to Rule 26(2) of the Rules of Procedure.

4. Decision on urgency

President. — The next item is the decision on the urgency of six motions for resolutions.

We shall consider first the *motion for a resolution (Doc. 1-6/80/rev.) by Mrs Maij-Weggen and others: UN Convention prohibiting any form of discrimination against women.*

I call Mrs Maij-Weggen.

Mrs Maij-Weggen. — (NL) Mr President, ladies and gentlemen, I have the honour of presenting this motion for a resolution on the early signature and ratification of the UN Convention prohibiting discrimination against women on behalf of the Group of the European People's Party, the Socialist Group, the European Democratic Group and a number of Members of other groups represented in this House. This Convention was approved by a large majority at the 34th United Nations General Assembly held in New York on 18 December 1979, with the support of all nine Member States of the European Community. Eight years' work has gone into this Convention, the text of which is not appended to the motion for a resolution, but which may be found in European Parliament Document No 62.932.

The UN Commission for women's rights asked the then Secretary-General in 1972 to sound out the Member States of the United Nations on the chances of drawing up a UN convention aimed at improving the legal status of women. On the basis of reactions from various governments, the Commission began work on the text of a convention in 1974, and in 1977 a final draft was submitted to the General Assembly in New York. In 1977, 1978 and 1979, a special working party appointed by the General Assembly discussed the draft convention, and at the end of 1979 the definitive text was approved by the General Assembly.

The Convention lays down the political, socio-economic, civil and family rights of women in detail, in a form which tries to take into account the various cultural differences throughout the world.

It is highly important that this Convention should be implemented as quickly as possible, not only in view of the legal status of women in Europe, but also — and especially — in view of the status of women in the

Maij-Weggen

Third World. The Convention only becomes effective once twenty countries have appended their signatures. The first chance we shall have for signing the Convention — and hence for taking the first step towards ratification — will be at the UN Conference on the status of women which will be held in Copenhagen in July this year. This motion for a resolution calls on the Council of Ministers to take urgent action to obtain the signatures of all nine Member States of the Community to this Convention in Copenhagen. Speed is of the essence, and we have appealed to the Council to give priority to this subject. That is why this motion for a resolution is an urgent matter. We are asking not for a full-scale debate, but for implementation of the urgent procedure followed by an urgent vote, and I may add that this motion for a resolution has been discussed in our *ad hoc* committee for women's rights, where it received a wide measure of support.

(Applause from various quarters)

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

Urgent procedure is adopted.

The motion for a resolution will be placed on the agenda of the sitting of Friday, 14 March 1980.

President. — We shall now consider *the motion for a resolution (Doc. 1-9/80) by Mr Seal and others: UK Government's proposals for immigration controls.*

I call Mr Seal.

Mr Seal. — Mr President, for the House to decide whether or not to support this request for urgent debate we need to consider two points. First of all, is it really urgent? Secondly, does it in fact concern this House? This particular motion, in a slightly modified form, has already been considered for urgency, and at that time the European Democratic Group, inadvertently I assume, gave us the wrong information on why we should not consider it as an urgent matter. Let us look at the facts as they are now presented to the House. If we are to make any changes to the proposals which have been put forward by the United Kingdom Government, then we must put forward our recommendations within a period of 40 days after 20 February. Now, that may be complicated, but it means that we have got to put forward our recommendations before the end of this month. If we are to do that, Mr President, then we must discuss it in this part-session. This motion has been discussed by the Legal Affairs Committee, and because of an error by the Legal Affairs Committee it was not, as it should have been, discussed at the last plenary session because of the non-availability of the rapporteur. It did not appear on the agenda for this part-session.

However, the Legal Affairs Committee, I understand, regard this as a matter of urgency and feel that the House should discuss it at this plenary session.

The second point, Mr President, is whether in fact it concerns this Parliament. Evidence has been given to the United Kingdom House of Commons by Lord Scarman that, in his legal opinion, these proposals clearly contravene many articles of the Convention on Human Rights. If that is the case, then it is the concern of this Parliament, and it is something that we as a parliament should discuss. Secondly, these proposals, — and no-one will deny this — clearly discriminate against women in the United Kingdom. Any act which discriminates against women in a Member State of the EEC obviously must be the concern of this Parliament.

Because of these two points, Mr. President, I feel that this motion does come within our ambit. We must discuss it in this particular plenary session, and I certainly hope that the House will support this request for urgent debate.

(Applause from certain quarters on the left)

President. — Mr Klepsch, are you against urgent procedure?

Mr Klepsch. — *(D)* Mr President, there are two reasons why I want to speak against the urgency of this motion. As has just been said, the first motion in question received proper consideration by the Legal Affairs Committee. A report was drawn up and we shall have occasion to discuss it because it is on the agenda for the coming sittings. Now we are told that we cannot wait for the report but must have a debate here on the hoof. Considering the scope of this issue, my group is just not in a position to discuss it today. When the House decides — and this is what happened last time — that a committee has to look into the matter, we ought to wait for the committee's findings. There may well have been an error last time round. I am not in a position to comment on that at this time, but I really think it is out of the question to have a debate now before the Legal Affairs Committee has drawn up its report. This would create the same problem for every other matter. My group feels that urgency cannot be approved for this reason.

President — I call Mrs Roudy to speak in favour of urgency.

Mrs Roudy — *(F)* Mr President, I am amazed at the words of the spokesman of the neighbouring group, since he says that he does not see any need for urgency after he has in fact voted in favour of it!

We voted in favour of urgency for a motion for a resolution on applying the UN Convention prohibiting

Roudy

any form of discrimination against women. Five minutes later we are asked to vote in a similar fashion on a specific case concerning coloured women in the United Kingdom — and Mr Klepsch has changed his mind!

(Applause from certain quarters on the left)

President. — I call Mrs Castle on a point of order.

Mrs Castle. — Mr President, there must be a point of correction here in view of what Mr Klepsch has said, because he is ignoring the statement at the bottom of this document, the justification for the case of urgency. This says 31 March 1980 is the last date by which the order for these revised immigration rules can be reversed. Therefore this means that unless this Parliament deals with it this session it will be too late. There could not be a clearer case for urgency.

(Applause from various quarters on the left)

President. — I call Mr Prout.

Mr Prout. — Mr President, I do not want to address myself to the substance of this motion, nor do I think it would be proper to do so. The House of Commons has already debated this issue. It did so last Monday. In any case, I think that for an alleged offence against the Convention of Human Rights, the proper forum is the Commission and the Court of Human Rights. I can recommend to my friends opposite that the right approach for them to make is to address themselves to the European human rights institutions. I have no doubt whatsoever that if Her Majesty's Government is found to have contravened the ruling of those institutions it will comply with the law. Her Majesty's Government has a rather good record in upholding the rulings of international courts and I have no doubt that this will be no exception.

I also think that my honourable friend Mr Seal ought to look very carefully at the kind of precedent he is setting. At the moment the institutions of the European Convention are considering the issue of the closed shop: the issue of internal trade union democracy. Let him be careful in setting such a precedent, lest somebody else tables a motion on that question. I wonder how enthusiastic he would be to discuss that.

(Applause from some quarters of the European Democratic Group)

President. — I call Mr Collins on a point of order.

Mr Collins. — Mr President, I wish to ask for a ruling on this. The point is that the Rules of Procedure of

this Parliament clearly lay down that you do not discuss the substance, but whether or not there is a case for urgency. The honourable friend across there did not deal with the question of whether there was such a case. Whether you agree with the substance of this motion or not, the point is that it has to be dealt with before 31 March. There is thus an incontestable case for urgency which has not been tackled across there. Therefore I would suggest that you rule the gentleman out of order.

President. — I call Mr Chambeiron.

Mr Chambeiron. — *(F)* Mr President, I shall be extremely brief and I shall abide by the Rules of Procedure and speak only on the question of urgency.

If the Communist and Allies Group is ready to support the request for urgency by the authors of this motion, it is simply because they have pointed out that the deadline for amending the new regulations on immigration is 31 March. I shall say no more, except to add that the decision by the British authorities has shocked a great many people in many countries. It will mean families being broken up — which is quite unacceptable — and an assault on people's rights. We shall therefore be voting in favour of urgent procedure.

(Applause from various quarters on the left)

President. — I call Mr Malangré.

Mr Malangré, rapporteur. — *(D)* Mr President, ladies and gentlemen, I feel I should point out that since the last meeting of the Legal Affairs Committee the British Government has again amended the immigration controls which were the subject of our original motion for a resolution. In my view these changes have produced better and more liberal controls in line with the authors' thinking. The Legal Affairs Committee has not yet had an opportunity to consider and discuss this new situation, which will however be examined as early as next week. This matter is already on the agenda for the committee meeting on 19 March. For practical reasons I would suggest that we defer the matter and not adopt urgent procedure. I ask this on behalf of my group.

(Applause from certain quarters on the right and centre)

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

The request is rejected.

Pursuant to Rule 25 of the Rules of Procedure, the motion for a resolution is referred to the appropriate committee.

(Loud cries from the left)

President

I call Mrs Squarcialupi on a point of order.

Mrs Squarcialupi. — (I) Mr President, there is no evidence that the vote went that way. We should like to have a vote by roll call. The result of the vote has been checked on other occasions. We therefore want a vote by roll call.

President. — Urgent procedure was rejected. Although there is no provision for this, I can even give you the exact result, since I asked for it. There were 101 votes against urgent procedure and 90 votes in favour. The outcome of the vote was quite clear. In any case, your request for a vote by roll call is too late.

(Uproar on the left)

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President. — We shall now consider the *motion for a resolution (Doc. 1-11/80) by Mr Penders and others: Measures to be taken following the elections in Zimbabwe-Rhodesia.*

I call Mr Penders.

Mr Penders. — (NL) Mr President, the elections in Zimbabwe are now over. There was a large turnout and a clearcut result. Considering the circumstances, the international observers have said that the elections were free and fair. They were the finishing touch to what was really a masterpiece of British diplomacy, and I should like to take this opportunity of warmly congratulating the British Government for the manner in which it successfully handled the problem of Rhodesia.

We are now in a hybrid stage. The government has been formed, independence day is getting closer, and there are encouraging signs of a positive development in the new Zimbabwe. I believe that the time is right for a statement by Europe and the European Parliament, as an expression of our interest and goodwill and as an expression of our readiness to help along democratic, positive and constructive lines the development of the new and independent state of Zimbabwe.

(Applause from the right and the centre)

President. — I call Mr Jackson.

Mr R. Jackson. — Mr President, I would like to support the urgency of this resolution on behalf of the European Democratic Group and to congratulate the

European People's Party, our friends there, for introducing this resolution. It demonstrates that Zimbabwe is not only a concern of one Member State, but is a European concern. I hope that in this context that the whole of the European Parliament can support this resolution.

I was in Salisbury at the time when the European Community-Rhodesia interim trade arrangement was concluded on the basis of urgency. It made a very positive psychological impact, as a hopeful sign in that country after 15 years of isolation. Today's resolution goes in the same direction; it too is an urgent matter, because Zimbabwe is going through the trauma of transition from one political order to another. It is a very delicate and fragile state of affairs there at the moment, and I think it would be helpful for us to show our European goodwill and support for the new Zimbabwe. My group believes that it is right and helpful to support Mr Mugabe and the Governor, Lord Soames, in their efforts to achieve reconciliation and to turn the minds of the people of Zimbabwe from the bitterness of recent years to the prospects of a new and more hopeful future for their country.

(Applause from the centre and the right)

President. — I call Mr Glinne.

Mr Glinne. — (F) Mr President, the Socialist Group has always shown keen interest in the problem of Zimbabwe-Rhodesia. We asked the leaders of the Patriotic Front to come and explain their views to us and we were delighted with the Lancaster House agreement because it offered a political solution in place of a continuing armed struggle. We also sent telegrams of congratulation to the winners of the elections that have just been held.

However, I want to remind you all that when the joint committee was meeting in Arusha, we were anxious to achieve unanimity on the situation in southern Africa. We should have been happier if there had been talks between the various political groups in the last few days, so that by discussing things beforehand we could have reached unanimity here as well. We are not entirely happy with the text as it stands. We should have preferred some reference in paragraph 2 to the fact that new associate states can still of course accede to the Lomé Convention. Paragraph 3 refers to the need to strengthen Zimbabwe's economic structure but the new Zimbabwe Government must define without delay its attitude to the new code of conduct. Finally, Mr President, we should have been happier if this text had included some of the paragraphs from the Arusha resolution, or others along these lines, referring to the ever-present threat of South African interference in the domestic affairs of the country.

Consequently, Mr President, we should have preferred it if there had been time to work out amend-

Glinne

ments, which are essential in our view and which could have been properly considered. We should be happier if the text were referred to the appropriate committee, which should be asked to deliver a speedy opinion. We do not want any decision on our part to be unduly delayed, but if the House is to achieve a common position on this matter, I do not think that urgent debate under Rule 14 is the best solution. We shall vote against urgent procedure.

President. — I call Mr Irmer.

Mr Irmer. — (D) Mr President, ladies and gentlemen, the Liberal and Democratic Group will vote in favour of urgent procedure because we feel that this is a golden opportunity — which must not be missed — for the European Parliament to make a statement on events in an area of the world where we cannot show indifference.

At the meeting two weeks ago of the ACP-EEC Joint Committee in Arusha we discussed the events in Zimbabwe-Rhodesia with our partners from the ACP states. We adopted a resolution stating that after free elections Zimbabwe is now welcome to accede to the ACP-EEC Convention. We believe that given the situation the European Parliament should take the same view and second the statement by the Joint Committee in Arusha. Mr Glinne's misgivings can be cast aside without any problem. The groups should reach agreement so that there is an overwhelming majority for this motion, possibly in an altered form. But we should state our view as a matter of urgency, because the situation calls for an immediate statement.

President. — I cannot give you leave to speak, Mr Sieglerschmidt, as Mr Glinne has already spoken on behalf of the Socialist Group.

I put to the vote the request for urgent procedure.

Urgent procedure is adopted.

The motion for a resolution will be placed on the agenda of the sitting of Friday, 14 March 1980.

I call Mr Boyes on a point of order.

Mr Boyes. — On Rule 35, Mr President, I wish to ask a general question, though obviously relating to the vote before this one. Rule 35 provides for voting by show of hands, and then it says, 'If the President decides that the result of the show of hands is doubtful, a fresh vote shall be taken by sitting and standing. If the President decides that the result of this last vote is doubtful, the vote shall be taken by roll call'.

I would like to ask two questions. The result of the previous vote came over on our translation as 101 to 99, which I think must be extremely doubtful. If the President is satisfied to accept this margin of 2 votes, then what is he going to consider doubtful? In my opinion any vote where only 4 or 5 people make all the difference must be doubtful. And then just note the amount of movement in this Chamber! I can see seven people moving at the moment.

President. — There is a straightforward answer to your question. The Rules of Procedure state that if the President decides that the result of the show of hands is doubtful, a fresh vote shall be taken by sitting and standing. If the result of the vote is still doubtful, the President may decide to use the electronic voting system. But the President in this case has no doubts about the result because he has five outstanding assistants to count the votes. You must trust the President, because without the President the sitting would be impossible.

(Applause)

I call Mr Arndt.

Mr Arndt. — (D) Mr President, the Chair has my total respect for the manner in which you are handling the proceedings. However, you must make an occasional effort to make it obvious to Members that you are complying with the Rules of Procedure. I was not given leave to speak as group spokesman on the urgency of the Seal motion, even though I asked to do so more than once. Just before the vote on urgent procedure you in fact gave the floor to one Member speaking for the motion and to one group spokesman. But you did not give the floor to Mr Sieglerschmidt, even though no one had spoken against urgency. This is required by the Rules of Procedure.

Mr Glinne spoke on behalf of his group. It was precisely for his group that he spoke. It is in the Rules of Procedure in black and white: one speaker for, one against, and then the spokesman of the political groups.

I should be grateful, Mr President, if you would attempt to abide by the Rules of Procedure in this matter. There was some doubt about the result of the vote which was just taken. In accordance with the Rules of Procedure there can be no doubt that it stands after you have announced it. I should be grateful, however, if you would try — because this has happened to our group on a couple of occasions — to apply the Rules of Procedure impartially on all sides of the House. I should be humbly grateful for this, as it would set things right in the House.

(Applause from certain quarters on the left)

President. — Your mind may be set at ease, Mr Arndt. Only one spokesman per group may speak. Mr

President

Klepsch spoke simultaneously against the motion and as spokesman for his group. Likewise, after Mr Glinne there cannot be a second speaker from the Socialist Group.

I call Mr Collins.

Mr Collins. — Mr President, I wish to speak on Rule 35. I am fascinated by the reply you gave to my friend in front, but assuming that the rules are written to cover real situations, the rules say that if the President is doubtful then something or other will happen. You have not told us in what circumstances you would be doubtful. Now while it is gratifying to have in the Chair somebody who is always certain about everything, I would dearly love to know from you in which circumstances you would decide, in fact, that you were uncertain. So will you please tell the House so that we may be reassured on the point?

President. — The Chair was in no doubt about the result of the vote.

I call Mrs Castle.

Mrs Castle. — We do believe, and I believe, that the President wishes to be fair, but it is also important for the successful functioning of this Parliament that he should be seen to be fair. Now I must put it to him very seriously and constructively that there have been innumerable occasions when the President has called for a sitting and standing vote when the gap was much, much wider than two votes. Where there is merely a difference of two votes nobody can be certain that the vote was correctly taken. I appeal to the President, for his own sake and the sake of this Parliament in this situation to do what other occupants of the Chair have done before him. Where there is a narrow margin, take that vote again by sitting and standing.

President. — The President is not required to state the number of votes. It is not customary, but I shall give you the result of the vote again: 90 votes for urgent procedure and 101 against. There was a clear majority against urgent procedure.

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President. — We shall now consider the *motion for a resolution (Doc. 1-12/80) by Mrs Le Roux and others: New oil slick in Brittany.*

I call Mrs Le Roux.

Mrs Le Roux. — (F) Mr President, once again Brittany has been hit by oil pollution, and once again the

beaches are covered and shellfish and birds are being killed along many miles of coastline. We cannot stand back and watch this impassively. The people of Brittany are up in arms at this new scandal.

You cannot put it down to fate. It is the Communist view that the oil companies have had it far too easy and that the inspection of oil tankers and oil traffic has been far too lax. Yesterday another 120 000 ton super-tanker blew up when it was empty. Imagine what would have happened if it had been full! And here again it seems that this ship, even though it was a modern one, did not have all the necessary safety devices. We say that it is possible to set extremely stringent safety regulations, and it is possible to have these regulations observed, provided there is the political will to do so. With modern technology a check can be kept on these things. Think of the satellite system used during the 1979 trans-Atlantic race to keep track of the yachts. Methods like this have to be used and developed. This is why we are asking for an immediate review of the laws on safety and movement which govern shipping off the coasts of the Member States. We have to put a stop to this chain of accidents to these hulks that go by the name of oil tankers.

We also want the possibility of financial aid for Brittany to be looked into, to help it cope with the damage to the shoreline and with the economic repercussions. Every year hundreds of thousands of tourists from all over Europe holiday in this region. It would be another economic disaster for Brittany if they could not be welcomed this year. These are the reasons, Mr President, why we are requesting urgent procedure for this motion.

(Applause from certain quarters on the left)

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

Urgent procedure is adopted.

The motion for a resolution will therefore be placed on the agenda of the sitting of Friday, 14 March 1980, to be debated jointly with the motion for a resolution (Doc. 1-19/80) tabled by the Socialist Group on the same subject. I call Mr Delorozoy on a point of order.

Mr Delorozoy. — (F) I am sorry to say, Mr President, that I asked to speak against urgent procedure and you did not give me the floor. I know that people have to twist round to the right to see me...

(Laughter)

I feel I have to say that the vote we have just had is a very serious matter because it criticizes the behaviour of the French authorities. The fact of the matter is that

Delorozoy

they coped very well with the situation. As it happens, there is no call for urgency.

President. — We shall now consider the *motion for a resolution (Doc. 1-15/80) by Mr Ligios and others: Community market in apples.*

I call Mr Ligios.

Mr Ligios. — (I) Mr President, I want to give a brief outline of the reasons for urgent procedure. The main point about the fruit market in the Community, and especially the apple market, is that at the moment there is a surplus of about 100 000 tonnes of apples stored in various Member States.

In addition to that, we have just learned that the Commission has authorized the import of 3 700 tonnes of apples from the southern hemisphere, particularly Argentina and South Africa. I do not think an import quota of this size should have been authorized in the present circumstances. We have to see, first of all, if the reference price has been properly observed for the import of fruit and vegetables, and secondly, whether there is not a case for safeguard measures in view of the market situation.

President. — Mr Ligios, do you wish to proceed in these circumstances with your request for urgent procedure?

Mr Ligios. — (I) Mr President, in view of the mass of work which the House will have to tackle at tomorrow's sitting, and to avoid the risk of having only ten people in the Chamber to discuss this matter of some importance, I should be willing to ask to have the matter referred to committee, so that it can be properly considered by the Committee on Agriculture itself.

President. — The motion for a resolution is therefore referred to the appropriate committee.

I call Mr Pranchère on a point of order.

Mr Pranchère. — (F) Mr President, I asked to speak before Mr Ligios withdrew his request for urgent debate. I believe I am entitled to take up this motion. I am making this as a point of principle because the problem is still the same, even if the author has withdrawn his motion. The situation is that the apple market may be upset by imports which are likely to create problems in both France and Italy and which could lead to destruction of stocks with significant additional expense for the EAGGF. It is a problem of Community preference. On behalf of the Communist and Al-

lies Group, I ask that this request for urgent procedure be considered.

President. — If you want to take up this request, the Rules of Procedure state that you must collect 21 signatures. Even if this condition is met, the request for urgency cannot be considered before tomorrow.

Mr Pranchère. — (F) Thank you, Mr President.

President. — We shall now consider the *motion for a resolution (Doc. 1-16/80) by Mr Balfe and others: Provisional twelfths.*

I call Mr Balfe.

Mr Balfe. — Mr President, the motion for a resolution before you on the system of twelfths is an attempt to give Parliament an opportunity to debate, as a matter of urgency, what is a clear breach of the Treaties. As you will see from the motion for a resolution, I quote from Articles 204 and 8 and the advice of the Director-General for Administration, Personnel and Finance, to the effect that Parliament cannot spend over one-twelfth of any chapter heading of the budget. This view has the concurrence of the rapporteur on the budget, Mr Dankert, who signed this resolution. That is the motivating force, and that is why I believe it is an urgent matter.

Let me make it quite clear. I am not against Parliament holding a part-session at the end of this month. In fact, I think that the debates that will come out of that part-session will be important. Indeed, to back that up, I am willing to change the conclusion of this resolution if that be the will of this House. What I am seeking is a debate on the application of the twelfths, because it does appear to me, on the basis of the advice I have been given, that we cannot exceed the twelfths. That means quite simply, Mr President, that in view of the information I have received from the administration, the funds available under Chapter 10, Members of the Institution, will be exhausted well before the end of this month if this part-session goes ahead. In that case, because we cannot overspend, the Bureau must today, as a matter of urgency, review the level of money which is paid out of that chapter. I do not think we can wilfully put ourselves in breach of the Treaties. That is why I am seeking this debate on the legal point concerning our obligations under the Treaties. I am willing, if it is helpful to the Chair, and to the House, to postpone a vote on urgency for 24 hours, until tomorrow morning, if leaders of the groups would like time to discuss it.

This is a serious motion, motivated by my own serious concern over the operation of the provisional budget, and I hope it will be taken in that spirit. As such, Mr

Balfe

President, I should like to ask the House to consider whether it would be willing to accept my suggestion to postpone the vote for 24 hours, on the understanding that the group leaders will seriously consider this legal point.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (NL) Mr President, I think we ought to pay attention to what the author of the motion has just said. He is ready to agree to a postponement of the decision on urgent procedure until tomorrow morning. My group goes along with this. I assume that the other groups on this side will agree to it as well. We can then deal with the matter.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, my group also agrees to have the decision on urgency postponed until tomorrow morning.

President. — I call Mr Glinne.

Mr Glinne. — (F) It has always been our view that the enlarged Bureau at today's meeting — which was arranged some time ago — should thoroughly examine this matter.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I feel that this is a matter which should be discussed in the enlarged Bureau, and under those circumstances I am prepared to accept the proposal.

President. — Everyone seems to be in agreement on a postponement until tomorrow of the decision on urgency.

Since there are no objections, that is agreed.

5. Directive on transferable securities

President. — The next item is the report (Doc. 1-639/79), drawn up by Mr D'Angelosante on behalf of the Legal Affairs Committee, on the

proposal from the Commission to the Council for a directive on information to be published on a regular basis by companies whose transferable securities are admitted to official stock exchange listing.

I call Mr D'Angelosante.

Mr D'Angelosante, rapporteur. — (I) Mr President, ladies and gentlemen, the Legal Affairs Committee, on behalf of which I drew up the report before you, has expressed a generally positive view of the draft directive, since it regards it as filling a legislative gap in a difficult and interesting sector and seeking to eliminate the present uncertainty about the activities of some companies, and especially of the larger companies — an uncertainty which arises from a total lack of information about their activities. For example, one need only consider the fact that in some Member States it was only a few years ago that a national authority was set up to supervise the stock exchanges and hence also to assess conditions for companies to be admitted to them and remain in them.

It is to the credit of the European Economic Community that it became aware of this problem at an early stage — the Commission made two other proposals before this present directive. One proposal was dated 13 December 1972 and concerned the prospectus to be published when transferable securities are admitted to official stock exchange listing. The European Parliament expressed its opinion on this at the beginning of 1974, but the Council has not yet taken any decision on it. The other was a draft directive on the harmonization of conditions for admission of transferable securities to official stock exchange listing. It too was debated many years ago by Parliament, but the Council did not take a decision on it until last year.

Mr President, I do not think this Parliament can remain indifferent to these delays, because they raise the problem of the growing difficulties — amounting in some cases almost to a blockage — faced by the legislative activity of the Community. It may even seem unnecessary to repeat it, but the behaviour of the Council is incomprehensible, for it first consults us, and then, once it has received the opinion of the European Parliament, takes no further action. This attitude is never explained because those concerned do not deign to give explanations. I think Parliament should insist that they be given. The completion of the consultation procedure is not an adjunct to legislative activity but an essential part of it. The Council, after consulting the European Parliament, is obliged to take the matter further, or, failing that, to explain why it has not done so. The inactivity which follows consultation cannot be allowed to remain unexplained. Its causes cannot remain as obscure as behind-the-scenes diplomacy. Yet, Mr President, one has the impression of an increasingly widespread paralysis, and this applies particularly to directives aiming to harmonize legislation, in which the Commission itself, and sometimes Parliament, with increasing frequency introduce clauses which amount to a reservation that the directive may not be implemented. For example, I would cite the directive on consumer credit, which does not stipulate any sanction in the event of the non-implementation

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of that directive. I would also mention the fifth directive on limited companies which is now so full of holes that it is no longer a legislative text but a kind of platonic appeal to respect the proposal, addressed to anyone who is prepared to do so.

This text before us, after clearly and exhaustively listing the information which companies quoted in stock exchanges must communicate every six months, nevertheless states in Article 11 that the national authority may exempt companies from publishing such information if it is satisfied that the information is of minor importance only. Mr President, this is nonsensical, and I shall explain why later on. One has the impression that the Commission is worried that some Member States or political groups may not like the idea that certain checks can be carried out and that certain information must be published.

In substance this directive aims to satisfy the public's right to information which is fair, accurate, clear, adequate and which is given in good time. That is why — I repeat — the exception made in Article 11 is incomprehensible. What — I wonder, and the Legal Affairs Committee also wondered — can be described as information of minor importance? It is easy to list the information asked for, for there is not much of it: the net turnover, other operating income, operating charges, and any interim dividends paid out or proposed. So much for the information in figures. The accompanying statement should indicate the number of persons employed, investment made and decisions taken on future investment, the state of the order book, the general situation regarding stocks of finished products, the degree of capacity utilization, and any new products or activities which have had a significant influence on turnover.

I challenge anyone to say that any of these data is of minor importance. Indeed, no-one has been in a position to say that, because the most one could say — although in my view they are all important data of great interest — is that one or two of them may not be important in general. Even so, one cannot assume that one of them might not be important within an individual country.

Some people, such as the accounting experts of the Community, have taken the view that it would be better if the information at present asked for in Article 5 (2) was replaced by information relating to the income of companies before and after tax. I do not wish to express a view on this. However, in my view this type of criticism — if it is seen to be fair in substance — can be accepted. What cannot be accepted, on the other hand, is the idea of leaving to the discretion of the national authority whether to exempt an individual country in a given case from complying with the directive. For in my view the real danger is this: there are countries which want to provide better protection cover for the activities of limited or joint-stock companies — i.e. those which issue the shares listed in

stock exchanges — and to this end wish to exempt their companies from the obligation of providing information which might jeopardize certain operations which those companies wish to carry out.

The Legal Affairs Committee, therefore propose that the first subparagraph of Article 11 (4), be eliminated, and proposes an amendment to replace it. I must say here, Mr President, that our Committee is only interested in eliminating this subparagraph, i.e. the exception made for cases where the national authority thinks that some of the information requested is not particularly relevant. This is all we want to scrap.

We also thought of other amendments. In Article 7, for example, we considered that the requirement to publish the break-down of net turnover by geographical markets should not be confined to the case in which these markets differed substantially from one another. The interest in knowing the turnover of a company split up by geographical markets, in my view, disappears not when there are no substantial differences among these markets, but when the company is equally active on a number of markets. The Committee did not agree with this opinion, and we therefore do not insist on it, just as we do not insist on the proposed amendment to Article 10. In this context, we thought it better that it should be the auditors who check, in every case, the information called for by this directive.

However, Mr President, we must insist that this Parliament approve the amendment seeking to eliminate the first subparagraph of Article 11 (4) for the reasons I have given. Otherwise, we would be allowing an attempt to diversify legislation to succeed, we would be violating the principle of equality of application of legislation, and we would end up in fact by favouring interests which do not deserve to be favoured by this Parliament.

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

Mr Tyrrell. — Mr President, there are two principal justifications for this proposal. The first is the need to extend protection to investors by giving them fuller information. This is a praiseworthy purpose. In broad terms it will extend to investors in some other Member States the protection which investors on the London Stock Exchange already enjoy. The second justification is, in the words of the preamble to the directive, 'to facilitate the quotation of these securities on more than one stock exchange in the Community, and in so doing to contribute towards the establishment of a genuine Community capital market'. We welcome that purpose and will accordingly support the motion.

There are two comments which I wish to add. First, in declaring this purpose, the Commission has again

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found itself in the position of taking one step forward and half a step backwards. I say that because Article 3 enables Member States to impose more rigorous obligations than those contained in the Directive. If Member States avail themselves of that concession we will be no nearer a genuine Community capital market than we were before this directive came into existence. Companies would still have the same variety of hurdles to overcome before they could obtain a quotation on a foreign stock exchange, and that variety would be undiminished in number.

The second comment which I wish to make is this: the Commission states in its explanatory memorandum that this directive represents only a first step on the road to harmonization. In saying that the Commission is obviously envisaging that there will be further steps quite apart from the two proposed sister directives to which Mr D'Angelosante referred in his speech. These sister directives are already on their way. Indeed Mr D'Angelosante also referred to this in paragraph 44 of his lucid report. In preparing those further steps, I hope the Commission will bear in mind that they are concerned not only with extending the principles of fair competition between publicly quoted companies, which will all have to publish the same information about themselves, but also with preserving fair competition between stock exchanges. If the rules regulating stock exchanges are made too rigid, competition between them will diminish and that will not only impede the flexibility with which they are able to adapt to changing times, but will in the long run redound to the disadvantage of the investor.

Subject to those words of caution or reservation, we wish the Commission well in this endeavour and, as I say, we will support the motion.

President. — I call Mr Romualdi.

Mr Romualdi — (I) Mr President, ladies and gentlemen, we fully agree with this Commission proposal, which supplements its other proposals designed to provide real guarantees for European investors and make the European financial market more reliable and responsible. I refer to the draft directive on the prospectus which companies must publish when transferable securities are admitted to official stock exchange listing in one of the countries of the Community—a directive which has unfortunately still not been adopted by the Council — and to the other draft directive, relating to the coordination, if not harmonization, of conditions for admission of transferable securities to official stock exchange listing.

We also agree with the requirements for publication and widest possible distribution of a six-monthly report by the companies concerned. However, this requirement should apply not only to companies based in one of the Member States, but also to those based in

third countries whose securities are admitted to official listing on a Community stock exchange. We also agree on the desirability — in very special cases — of allowing the omission of information whose publication would not be in the public interest.

But these directives with which we agree, however praiseworthy, cannot solve all the problems of the transferable stocks and securities market in the Community stock exchanges.

A proposal of great relevance to the development and security of industrial investments was put forward by my colleague and friend Mr Petronio. It aimed to create a European stock exchange. This is the only measure which could guarantee secure transferable investment and make possible the free movement of transferable stocks and securities within the Community. It is a step which is essential to ensure the free movement not only of ideas, but also of persons and goods.

President. — I call Mr Fischbach to speak on behalf of the group of the European People's Party (CD-Group).

Mr Fischbach. — (F) Mr President my Group welcomes this proposal for a directive, which is aimed at ensuring that the activities of companies whose transferable securities are admitted to stock exchange listing should be more transparent as a result of their being obliged to publish half-yearly reports. As the rapporteur has just reminded us, this proposal for a directive should be regarded as supplementary to the proposal for a directive concerning the prospectus which companies have to publish when their transferable securities are admitted to official stock exchange listing, and to the directive coordinating the conditions for admitting transferable securities to official stock exchange listing.

On this matter, we agree with the rapporteur in hoping that the Council will adopt as soon as possible the proposal for a directive concerning the prospectus to be published when securities are admitted to official stock exchange listing. As for the proposal for a directive which has been submitted to Parliament for its opinion, I would like to point out, however, that the obligation to publish half-yearly reports will clearly be a burden of no little importance for smaller companies whose shares or debentures are held by a small number of shareholders who, what is more, are well informed about the company's development. The time and cost involved in drawing up a report of this kind would undoubtedly have been sufficient reason for excluding such companies from the field of application of this proposal for a directive. If my Group has not tabled an amendment on this matter this is because, although we are in agreement on the principle, we were unable to decide in any detail on the criteria to be applied for

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this exemption. We do, however, feel that the Commission and above all the Council would do well to give serious consideration to this suggestion, whose aim is to ensure fairer and more flexible application of this proposal for a directive. Having said this, Mr President, ladies and gentlemen, my Group has little difficulty in approving the report submitted by Mr D'Angelosante in its present form.

President — I call Mr Ferri, chairman of the Legal Affairs Committee.

Mr Ferri. — (I) Mr President, I wish to express full agreement, also on behalf of the Socialist Group, with Mr D'Angelosante's report, and to stress that the Legal Affairs Committee has accepted his proposal for amendment of Article 11 (4) of the draft directive.

I wish to draw the attention of the Commission to Paragraph 9 of the motion for a resolution before Parliament and which should not be regarded as mere words. Parliament, in approving the motion for a resolution for which Mr D'Angelosante is the rapporteur — as I think it will do, and as appears likely from the statements which have so far been made on behalf of the various groups — will note that Paragraph 9 of this motion requests the Commission to incorporate in its proposal the amendments which we advocate, pursuant to Article 149 (2) of the EEC Treaty. I feel I must urge the Commission to respond positively to this request.

Indeed, it seemed to the Committee — as Mr D'Angelosante rightly stressed — that the exception envisaged by the first sub-paragraph of Article 11 (4) contradicted the very aim of the proposal, for it is difficult to understand how, when dealing with companies whose transferable securities are admitted to official stock exchange listing — and these must obviously be companies of some size — the information called for by the directive itself could be regarded as being of minor importance only and unlikely to influence any assessment of the development of the company's business. An exception of the kind envisaged in the Commission proposal runs the risk of vitiating, at least in part, the intention of the proposal itself, and for this reason I think that the rapporteur's view, which the Committee has adopted — that this derogation be eliminated — is fully justified.

Moreover — and this is the last point to which I wish to draw the attention of Parliament and the Commission — the Committee on Economic and Monetary Affairs had already expressed a view along these general lines, on 2 April 1979, it gave a favourable opinion by letter, but it stressed that it thought that, in order to keep shareholders informed and protect their interests, the criteria for exemption from the requirement to publish certain information Article 11 (3) and (4) should be interpreted restrictively.

It seems to us that the least that one can and should do to ensure this restrictive interpretation — precisely to protect shareholders — is to eliminate the first sub-paragraph of Article 11 (4) as proposed by the rapporteur.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, with your permission I should like first to inform this House of something which is of great importance in the field of research but has nothing to do with the point we are discussing at the moment. The Council of Ministers yesterday gave its approval to the European Community Research Programme for the next four years, involving expenditure totalling 850 million units of account, which doubles the resources devoted to energy research in the European Community. Together with the part-programmes which have been approved over the last few weeks, the total now comes to over 1 000 million units of account, which means a great deal of money and a great deal of responsibility for European research. It is thanks to your support that this has been achieved, and it means that researchers in Europe now have a programme for the next four years which includes the world's largest nuclear fusion programme and one of the greatest efforts we have ever made in the field of reactor safety. We should like to thank Parliament for giving us its support, and I think we can all congratulate ourselves on what has been achieved.

Moving on to the subject in hand, I can tell you that the Council will be giving its approval to the second directive on stock exchange prospectuses on 17 March. This now leaves us to take this third step, on which the Legal Affairs Committee has stated its position here. As far as is possible, the Commission would like to go along with your amendments. You have proposed that no exceptions should be made, not even for information of no great importance. The Commission has no objection to this. As regards information which could be detrimental to firms, the Commission's view, which I should like to put to you on behalf of Mr Tugendhat, is as follows. We feel that Article 11 paragraph 4 should be so formulated that it will ultimately be up to the national authorities to decide when an exception should be granted. In other words, it should not be up to the individual firms to decide. We believe that this is the better solution in the interests of clarity and public confidence in the legal system.

Our sincere thanks are due to the rapporteur and the committee for the work they have put in. We believe that this third step will provide a sound basis for a European system of stock exchange control.

President. — The debate is closed.

Brunner

The motion for a resolution will be put to the vote at the next voting time.

6. Membership of committees

President. — I have received from the Socialist Group a request to appoint Mr Estier as member of the Political Affairs Committee.

Since there are no objections, the appointment is ratified.

7. Problems of the wine market

President. — The next item is the joint debate on:

— report (Doc. 1-826/79), drawn up by Mr Buchou on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council (Doc. 1-691/79) for a regulation amending Regulation (EEC) No 337/79 on the common organization of the market in wine.

— oral question with debate (Doc. 1-698/79), tabled by Mr Maffre-Baugé, Mr Martin, Mr Pranchère, Mrs De March, Mrs Poirier, Mrs Le Roux, Mr Fernandez and Mr Würtz, to the Commission:

Subject: Wine-growing in France and the impact of imports from Italy on the production and marketing of wine in France.

Imports of Italian table wine to France in the marketing year 1978/79 will be of the order of 8.2 million hectolitres, an increase of 2 million hectolitres over the 1977/78 marketing year.

This steadily rising flow of imports poses a permanent threat to wine-growing in France, particularly in the south, as the French market is flooded with imports at prices which defy the logic of normal competition.

As a result:

- A. prices in production areas, have fallen;
- B. supply and demand on the French market are out of balance;
- C. efforts by wine growers to improve quality have received a set-back.

Given this situation and the harmful social consequences which threaten the already inadequate price support machinery, what steps does the Commission intend to take to

1. regulate and limit imports of Italian wine in terms of both volume and price;
2. fix a profitable minimum guaranteed price below which Italian table wines could not be imported into France (systematic refusal);

3. Step up checks on production and movement of wine to prevent deflection of trade (is the wine exported from Italy always Italian?);
4. harmonize the parities of the green lira and green franc, as the lack of monetary equilibrium leads to a situation where the trade flows between Italy and France always work to the disadvantage of the latter;
5. introduce really effective anti-fraud measures, to stamp out certain cases of 'wine manufacturing';
6. monitor the quality of wines: 30 % of imported wines have an alcohol strength of less than 9,5 % and do nothing to further the policy of improving quality;
7. stop the planting of vines throughout the Community rather than encourage the grubbing-up of French vineyards (including 25,000 hectares in Languedoc-Roussillon)?

Does the Commission not feel it necessary in these circumstances to halt the enlargement of the Community to include Greece, Spain and Portugal?

— oral question with debate (Doc. 1-760/79), tabled by Mr Sutra, Mr Gatto, Mr Delors, Mrs Cresson and Mr Arfè, to the Commission:

Subject: Common wine-growing policy

Since the common market in wine was established in 1970, i.e. from 1970 to 1978, the EEC harvested in all 1 168 million hectolitres of wine corresponding to an average annual harvest of 146 million hectolitres.

During the same eight years, the Community imported 43 million hectolitres from third countries and at the same time destroyed by distillation 38 million hectolitres of wine produced in the EEC as a measure to absorb artificially created surpluses.

Can the Commission state:

1. The cost of the unnecessary destruction of 38 million hectolitres of wine?
2. The amounts spent in foreign currency on importing of an equal quantity of wine?
3. What measures it intends to propose in order to ensure respect for the spirit of the Treaty of Rome and thus limit imports from third countries to requirements not covered by Community production?
4. Can the Commission specify the origin of these wines?

Since the quantity destroyed was 5 million hectolitres less than the quantity imported, it would appear that Community production had no structural surplus over this eight-year period but only conjunctural surpluses in certain years.

Does the Commission intend to continue to stand idly by and drive the wine-producers of the southern regions of France in particular to the point of revolt simply in order to remove surpluses which might well exist only in its imagination?

Since there is an overall balance and short-term surpluses, what is the reason for the systematic refusal by the Commission and the Council to approve obligatory and proportional carry-over of stocks for all Community wine producers?

President

Could the Commission provide details of the harvests of the three potential new southern members of the Community over the past 10 years and their respective annual consumption?

Is the Commission in a position to outline present and foreseeable consumption and production trends in these three countries?

Has the Commission identified any new trend in wine consumption in Europe and, in particular, could it say whether the elimination of the excise duties still applied in certain Member States of the Community could help raise consumption to a reasonable level? The minutes of the Agricultural Council meeting held in Brussels on 24 July 1979 refer to 'problems posed by the implementation of the 1979/85 action programme in the wine sector'.

In 1978, this programme was rejected by the Committee on Agriculture of the previous Parliament on the basis of an exceptionally critical report by an Italian member.

Has the Commission taken account of the criticisms, which rightly go so far as to speak of 'aberrations'?

Or has the Commission decided to ignore them and to apply the deplorable and dangerous plan of 31 July 1978?

Since this plan has been criticized in the strongest possible terms by an Italian MP, could the Commission state who in the Council of Ministers is pressing for the application of this action programme which spells disaster for the wine-growers of the southern regions of the two Member States of the Community, France and Italy, which are the two largest wine producers in the world?

- oral question with debate (Doc. 1-809/79), tabled by Mr De Pasquale, Mr Papapietro, Mr Cardia, Mrs Barbarella, Mr D'Angelosante and Mr Cera-
volò, to the Commission:

Subject: Problems of the wine market.

Has the Commission given careful consideration to the situation and the problems of the wine market following 1979's bumper harvest, both in quality and quantity, compared with those of recent years?

Does not the Commission consider that over and above the immediate measures relating to distillation, measures are needed to boost wine consumption in the Community by means of a gradual reduction of the duties which in some Member States (United Kingdom, Belgium, Netherlands, Denmark) artificially reduce both consumption and the market's natural capacity?

Does not the Commission also think that, apart from boosting consumption within the Community, measures are needed to give increased support to our wines on all extra-Community markets, and to improve marketing methods?

Does not the Commission agree on the extreme urgency of putting such measures into effect so as to avoid the predicted negative consequences that the forthcoming accession of Greece, Spain and Portugal will have on the wine sector in the Mediterranean regions of the present Community and in the associated Mediterranean countries?

I call Mr Buchou.

Mr Buchou, rapporteur. — (F) Mr President, my speech will be quite short since it concerns my report on the organization of the wine market, which contains proposals from the Commission which enjoy the quality of being clear, simple and effective.

The Commission took note of the fact that, when the regulations on the wine market were reformed in 1976, the supplementary intervention measures introduced by the Council for the holders of long-term private storage contracts for table wines subsequently proved effective. What were these measures in fact? They were designed to maintain the rates above the activating price by extending storage for table wine or by a distillation measure at the activating price, or again, by a combination of the two. This is what is generally known as the 'performance guarantee'.

These measures, which were first applied in autumn 1977, proved to be good as a result of being simple to apply and easy to control. However, they are due to expire in autumn 1980. Realizing that exceptional harvests, like that of 1979, are likely to disturb the balance of the wine market, the Commission proposed that, until the measures take their full effect, the provisions be extended to cover three more years, i.e. until the 1982/83 marketing year. The Committee on Agriculture broadly approved these proposals. I would just like, in passing, to raise one small problem, that is that the Committee on Budgets noted that the forecast for expenditure for the years 1981 to 1983 varied from 5 million to 121 million EUA. It was of the opinion that this financial statement was in practice impossible to verify and asked the Commission not to submit in future financial statements with such a financial span.

This calls for some comments from the rapporteur of the Committee on Agriculture, because we consider that the Commission proposals are logical. They are logical because they are based on a rich harvest, i.e. that of 1979, as regards the maximum figure proposed. Should the total quantity covered by the contract be distilled at 5 %, this would mean 121 million EUA, as against 5 million EUA for the poor harvest of 1978.

The Commission submitted financial proposals to take account of these extremes because such levels have actually been reached. I can understand the Committee on Budgets embarrassment at a proposal of this sort. But, in fact, Mr President and ladies and gentlemen, this is a special financing facility which should be considered as the opening of annual credit which it is true, involves a financial commitment in April but for which no figures on the amount actually used are available before December. I think, and I would like to have the Commission's point of view on this subject since this is a technical financial problem and a problem of financial management within the Community framework. However this may be, asking the Commission not to submit financial statements with such a wide span certainly does not correspond to the requirements of intervention in the wine market.

Buchou

In conclusion, I would like to say that, since the Committee on Agriculture has broadly approved the Commission proposals, I can do no more than propose to this House that it should do likewise.

President. — I call Mr Maffre-Baugé.

Mr Maffre-Baugé. — (*F*) Mr President, ladies and gentlemen, the problem of wine growing is a fundamental one and does not only affect the wine growers in France.

A certain number of points need to be made, especially as concerns this year. The 1979 harvest was exceptionally plentiful. Each producing country reached a high volume of production: France, 85 543 000 hectolitres, and the Community 168 million hectolitres. Spain, whose production was supposed to be limited to 25 million, reached 50 million hectolitres this year. Mother nature was generous, both in quality and quantity. We are all aware that the bigger the existing surpluses are, the more they influence the market.

So we must take measures. We know what these — at present completely voluntary — measures are: various storage contracts, precautionary distillation measures with an exceptional performance guarantee. These are definite and specific measures which can help to rationalize the wine market.

Even if they are not perfect, these intervention measures do exist, but I am not sure that their main advantage is a real advantage. It is true that the shocks produced by too free a conflict between overabundant supplies and a demand which is sometimes artificially restricted are avoided. Rates remain at an extremely poor level, nothing more. The crisis is merely put off, stifled, and the wine growers are so worried and even guilt ridden that they are prepared, albeit reluctantly to see their purchasing power eroded away. Every day sees some of our wine growers leaving their holdings and are joining the growing ranks of the unemployed. Young people are disillusioned and take refuge in bitterness. No doubt it is this which is the main advantage of this system of market organization!

The status of France's wine growers and producers is far from being what it was before the Community market was established. Where are the fine promises? What is common about this European market? Where are the new markets which were supposed to open up to French and Italian wine production? We are justified in asking whether the principles of the CAP have been adhered to, as laid down in the Treaty of Rome: What about the free movement of goods? The maintaining of income from excise duties is in direct opposition to this concept, and the question I asked officially on this subject has not yet been answered. It can never be repeated enough just what an intolerable restriction these excise duties represent. As long as this

problem has not been solved, no one can venture to say that French wine growing is condemned to death because it produces surpluses. What about Community preference? Dealings are based on imports from third countries for which quotas are fixed on the pretext of some false notion of complementarity whereas in fact these are the result of political deals in which our wine growers count for precious little.

Another empty promise is that of improving farmers' income to bring them up to the level of pay in industry.

This is to say nothing of the structural measures in favour of less-favoured regions nor of the harmonization of production conditions, nor even of the return to parity between the various categories of producers of farm produce. What can we tell our wine growers, if not that this wonderful common market for wine is nothing more than a cheap trick?

Over and above any defects of the Community organization, each Member State applies its own policy and the common denominator of all these national policies is to crush the producers who are worst off. For example, monetary policies. In France, the value of the green franc has been systematically pegged too high so that it is farmers who are forced to bear the brunt of inflation. During the same period, Italy has systematically devalued the green lira, thereby playing on the real fluctuations in her currency which led to a reduction in monetary compensatory amounts.

Our Italian friends have also Italian domestic regulations which provide that intervention will remain at the level of prices calculated using the old green rate.

What then has become of our market unity? And what has become of protecting the interests of producers on both sides of the frontier? On the one side we have a stranglehold on income, and on the other a policy of dumping through exports! We have no wish to refuse the rule of relative complementarity, but we must expose actions which lead to the normal rules of competition being so greatly distorted, and which do not in fact benefit any producer in the long run.

What should we think of this? While storage and distillation appear for the moment to be necessary parts of our policy, given the surpluses accumulated both annually and from past years, surpluses which were artificially created in the middle and long term, our vines and reorganizing the sector seem questionable in the extreme.

The Commission should bear in mind that in eight years the EEC has imported more than 40 million hectolitres from third countries whilst at the same time distilling approximately the same quantity. I do not think anybody would deny this fact, which proves that if there had been no imports of wine, the market would have been balanced within the Community and

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in especially from the French point of view. Thus all these distilled surpluses are not produced within the Community but by imports from outside. The problem we were faced with, was thus rather one of harmonizing trade between Member countries by applying the rule of complementarity, than one of removing surpluses which could and should have been avoided.

The Commission seems to be taking advantage of the fact that these intervention measures help to defuse the tension among wine growers made to feel guilty by a plentiful harvest, in order to make them accept a reorganization and grubbing-up plan, which is not the first nor likely to be the last of its kind. Is it the prospect of an enlarged Community which is accelerating by means of this system of bonuses trends which have already begun? Is a reorganization of the sector aimed at improving quality really the right solution? We are right to ask this question, given the present situation as regards quality wines produced in specific regions. (QWPSR). Will not a policy of broadening the quality range merely lead to our wine growing sector being eliminated by Spain?

As for the grubbing-up of vines, this is a mere red herring! A policy of replanting, aimed at fitting wine production into a general system of crop rotation, where other crops have their place, may have some justification, but it is intolerable that aid to wine growing should be systematically dropped in specific regions, especially since no guarantee is given as to possible alternative crops and since it is the entire population of a region which is thus threatened. Leaving aside plans and counter plans, the profit motive, here again, conflicts with the natural calling of our wine growing areas. Wine growing can still develop and modernize in the alluvial plains where you would like it to be abandoned, whereas the hilly areas, which have no alternative, improve the quality of their production but each day brings rising production costs.

I am going to give you an example of the technocratic slant of this plan. If, perchance, the rich alluvial plains of the valley bottoms of our regions, for example, were invaded by dairy farmers, taking advantage of the guaranteed fixed income which is offered to them (payments for grubbing-up vines which help to offset the price of the land, naturally advantageous production conditions, and a guaranteed fixed income resulting from the difficulties of direct marketing in a region where dairy production hardly accounts for a tenth of the requirement for untreated milk), what would you be forced to conclude? For fear of future wine surpluses as a result of the enlarged Community, we would have succeeded only in further swelling the stocks of dairy products!

Let us be serious. You cannot juggle in this way with the fate of a whole region which tomorrow might well resist an enlargement of the Community. Which do we want: a modern and intensive wine growing industry on the plains which will be used as a basis for dealings

in Spanish wines, in order to produce cut price blends, or our traditional hill area wine growing industry which will have as its reward nothing more than its end product?

Those technicians who compare the wine production to just another capitalist interplay of means of production should be somewhat more cautious.

We are of the opinion that this enlargement will be catastrophic for the regions of the South of France even more so since we know — a close look at the past of the Community clearly shows this — that the natural potential, abilities and traditions of production count very little when faced with the politicking of organizations expert in financial wheeling and dealing, and when faced with a map of production based solely on the whims and vagaries of the development of European free exchange and of a capitalist food industry system. Even if surpluses at the moment are only short term, they will become structural surpluses with the entry of Spain, Portugal and Greece; this is why plans are being put forward for grubbing-up vines in order to leave room for wine from the countries applying for membership, and no-one is fooled by this.

The wine market is badly organized and goes against the spirit of the Treaty of Rome. In the final analysis, its organization benefits neither producers nor consumers. All too often the market support mechanisms act in the same way as steam from water boiling in a saucepan; the lid is raised, the steam escapes and the lid falls back into place, but inside the pot the water gradually disappears by evaporation. This is what is happening to our wine growing sector. Community regulations make it evaporate gradually until one day there will be nothing left of it except some fur at the bottom of the saucepan. We cannot accept its being sacrificed to such a policy, reinforced by the prospect of enlargement on a free trade basis. In conclusion, I would like to ask the Commission to answer the following questions.

On the question of trade between France and Italy, can the Commission explain why Italy is indulging in a real policy of export dumping, using financial tricks backed up by national regulations granting exemption from a unified pricing policy, following the devaluations of the green lira for wine which took place on 22 May 1978 and 9 April 1979. Does it consider that the proposed floor price for trade within the Community will be sufficient to avoid distortion of competition? How will it be effectively applied to all trade, without having some permanent means of intervention? Are we heading in the direction of a real minimum guaranteed price, below which Italian table wine would no longer be allowed to enter France?

As for trade within the Community, the lack of a monetary compensatory amount on fermented must is surely a loophole which makes it possible to export

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table wine without paying a refund at the time of export?

Can the Commission explain why this intolerable infringement of the principle of the free movement of goods continues to exist and make an official reply to the question I asked on excise duties on 20 August 1979, which has not been answered and which I now repeat?

What proposals does the Commission have for stimulating consumption of table wine in the Community, and in particular in those countries where consumption is limited only by these excise duties?

On the subject of fraud prevention, how does the Commission intend to avoid certain cases of tampering with wine and monitor the quality of wines — 30 % of the volume of wine imported into France during the last marketing year had an alcoholic strength of less than 9.5 degrees, which does nothing to further the policy of improving quality?

What means will be used to prevent the deflection of trade, and is the wine exported from Italy always Italian?

As for future measures, can the Commission give details of the guidelines laid down for the choice of projects eligible for aid from the Guidance Section of the EAGGF in the Mediterranean regions? Is the Commission in a position to make specific proposals concerning guarantees which could be given for new crops which might result from the proposed diversification scheme?

Can the Commission give figures for the potential cost of permanent intervention in the wine market in relation to the cost of measures intended for the grubbing-up of vines and the total abandonment of part of the winegrowing potential? Does the Commission intend to stop the planting of vines in all European vineyards?

Does the Commission have plans for perfecting the Community market organization by means of a compulsory restriction system which would apply to producers, with a guaranteed sale at the guidance price, and by means of a flexible intervention system taking into account the graduated charges and operating according to phases of production and to yield, so that small family holdings and the quality of produce may be protected, thus permitting a balanced market as regards volume, transactions, prices and quality.

IN THE CHAIR: MR ROGERS

Vice-President

President. — I call Mr Sutra.

Mr Sutra. — (*F*) Mr President, ladies and gentlemen, I would just like to come back to the two speeches that I have just heard, and you will not be surprised to hear that they have several points in common.

First, I would like to make the point that we have been in the common market for wine products since 28 June 1970, that this legislation was applied for the autumn 1970 harvest, that in order to create this common market for wine products provision was made for harmonization between member countries, namely harmonization on taxation, on planning arrangements and as a result on the viticultural land register, on salaries and on social contributions.

Ten years later, these measures are far from having been achieved, but after only 18 months the transitional period was arbitrarily declared to be at an end. The conclusion drawn from this experience by the French Socialists is to refuse to entertain any enlargement of the European Economic Community which is based on arbitrary transitional periods. This is not our only condition, but above all we want periods based on objective criteria.

When we are told that ten years will be taken as a period of transition, we reply that time is not an absolute. Time is a good thing if it is used to draw up the necessary regulations. What has taken place in the last ten years in the common market for wine products proves that time alone is not enough, it must be backed up by political will.

In Europe in 1970 there was a balance between production and consumption. This fragile balance was destroyed because the regulations which kept it in existence were abolished.

Please excuse me for referring to the history of my own country, but I must point out that in the national wine market we included Algerian production for some 30 or 50 years, and this amounted at times to as much as 18 million hectolitres, and I may say that as a result France knows what crisis and overproduction really are. Over 30 years, she drew up rules, very often proposed by my Socialist friends — who preceded me along this path — rules which enabled the domestic wine market to avoid disintegrating as it has done in the last ten years.

Though, if I now propose regulations, it is not that I am prompted by some ideology, but because I think of the experience I have had, and which my country and its winegrowers have had. For 30 years, from the beginning of the 30s to the setting up of the Common Market, regulations were applied which worked, and we know how to make them work.

I would like to add that the Socialist Group has made an effort, with my colleague Vincenzo Gatto, to submit in unison a whole series of questions to the Commission and to the Council, which goes to prove that it

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is possible to see beyond national differences and to try to put forward joint proposals — whilst at the same time not ignoring the difficulties — for reforming the European wine market.

The average Community harvest since the Common Market was founded has been approximately 146 million hectolitres a year, which would seem to correspond to consumption. During the eight years in which the common market in wine has existed, the Community has imported from third countries 43 million hectolitres, and at the same time has destroyed 38 million hectolitres in the Community itself.

This is a betrayal of Community preference which must have proved very costly. As a result this is not a problem of prices, costs and budget but a problem of discipline and of observing regulations.

The report which Mr Buchou presented on behalf of the Committee on Agriculture was unanimously adopted with two abstentions, and I think that this is an extremely important point.

We should bear in mind that the performance guarantee for long-term storage contracts is at this moment the only thing which has functioned reasonably well within the wine market over the last ten years.

What happened in previous years? What was called the wine war. Wine growers could be seen demonstrating angrily, demanding — and finally obtaining — distillation measures which were always adopted in April, May or June or when the speculators had already bought all the bad wine in order to pay less for it. These late distillations always affected the best wine, those which were able to resist the heat of the summer and those which the wine growers had kept.

With the performance guarantee which has functioned now for seven years distillation takes place right from the start of the marketing year, and this has meant that all the suspect or diseased wine could be removed from the market. With a price of 13.02 FF for the 8 million hectolitres which were distilled, there is real cause for the satisfaction felt by all the winegrowers who are now asking that this performance guarantee be extended. This guarantee has proved insufficient and 8 million more hectolitres have been distilled at a lower price, around 12.02 FF, which is a pity for the wine growers.

But, even so, this performance guarantee has functioned properly since it has not been costly. I also wish to say that this performance guarantee has the added advantage of being continually adapted according to the effect which is required. It was in existence two years ago — since it had been set up for three years — but it did not function because there were no surpluses. This year, as soon as it was necessary to operate it, it functioned automatically. This measure is thus not costly and is technically fair.

During a meeting of the Committee on Agriculture I asked Mr Gundelach if he was in favour of this measure being maintained. He replied in the affirmative, because this measure is fair. I asked him to repeat it here, during a full session. He repeated not only that this measure was fair and that the Commission was in favour of it, but also that he had made formal proposals to the Council requesting that this performance guarantee for long term storage contracts be maintained. Ladies and gentlemen, the Committee on Agriculture voted in the same way. The Committee on Agriculture wants it, the wine growers want it, the Commission proposes it: the Council must accept it. The ball is now in the Council's court, and the Council has no right to back out since all the competent experts are in agreement wherever they may be and state that this measure is fair and has functioned properly.

I have spent rather a long time on this particular point, but I think it is essential and that this is a central issue of the debate which we are now having in this Parliament.

I would add that, since the basis of the Treaty of Rome is free movement of goods, customs duties have been removed. But, when a country starts to impose very heavy taxes on the movement in its territory, of a product which it does not produce itself, then this is in fact a hypocritical customs duty which it is reintroducing. And excise duties in the whole of the north of Europe (in descending order let us say Ireland, Britain, Denmark, Holland, Belgium and to a lesser degree Germany) are often a real customs duty by another name.

I will conclude, Mr President, although there are still many things to be said on the subject, by saying that I have been asking for a debate on the wine market since September and that the oral question with debate which I tabled was changed to a written question. The very nature of wine production means that harvests can vary greatly in quantity from one year to another. As a result, the Committee on Budgets' argument on the cost of the wine market policy is not acceptable, because over the last five years this policy has only cost an average 1.5 % of the EAGGF budget. This figure even dropped to 0.7 % three years ago. Wine should be provided with a multi-annual budget. Only a multi-annual budget will make it possible to discuss seriously the cost of the wine market, because there are huge differences between one year and another.

Since time is lacking, I will say what I would like to have added at some other time.

President. — I call Mr De Pasquale.

Mr De Pasquale. — (I) Mr President, we take a dim view of the fact that, while important decisions are being prepared at Community level on the Common

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Agricultural Policy, while many proposals are being drawn up on agricultural structures, prices, surpluses and trade policies, neither the Commission nor the Council shows any readiness to give the necessary attention to the many serious problems concerning Mediterranean produce and especially wine. One has the impression that, at the highest levels of the Community, these problems are regarded as secondary, of minor importance, so that they need not be included in the process of revision of the present mechanisms of the Common Agricultural Policy which is now taking place in the light of various factors, including the forthcoming enlargement.

The so-called '1979/85 Action Programme' for the reorganization of the market and the restructuring of the wine-growing sector, which the Council recently approved without taking account of the opinion expressed by the previous Parliament and without asking for a new opinion from the directly elected Parliament, does not provide satisfactory solutions to the problems, but instead postpones the solutions. It therefore becomes difficult to talk of reorganizing the market and restructuring the sector, or indeed to describe this package of measures — as Mr Gundelach recently did — as a preparation for the future. The truth is that no real step is being taken to correct the disadvantaged position to which the production and marketing of Mediterranean wines, and of those of the Italian Mezzogiorno in particular, have been reduced under the common market.

Unlike other basic agricultural products, wine does not benefit from an automatic intervention scheme financed by the Community, is ill-protected at the frontiers and threatened by every kind of adulteration — legal or illegal — and is unable to move freely within the Community. The situation is intolerable, especially for peripheral regions such as Sicily, Puglia, Sardinia, Calabria and the other regions of southern Italy, which together produce half of the Italian wine output, which have incomes among the lowest in the Community, and in which many areas have nothing but vineyards and no other options for employment and production.

The basic argument used by those who insist on reducing the wine-growing sector is that of surpluses. They claim that the Community produces too much wine, that supply exceeds demand and that it is necessary to reduce production. Even Mr Gundelach, in a recent article in 'Le monde', described wine as a product in surplus, and indeed put it on a par with milk, butter, sugar and meat.

But how can it be argued that there is surplus production of wine, when more wine is imported than is distilled? How can it be argued that there is a surplus of wine — of the kind which is really made from grapes — when every year between 15 and 20 million hectolitres are produced by addition of saccharose, not to mention the unknown amounts of adulterated wine?

And again, how can one argue that there is a surplus when in Britain wine bears an excise duty equivalent to 1 300 lire per litre, which is five times the duty on beer? The duty in Denmark is equivalent to 1 200 lire, in Ireland to 850 lire, and in Belgium and Holland to 400 lire, making the price to the consumer almost prohibitive in those countries and thus making wine a luxury drink instead of what it should be — a drink consumed by wide sections of the population and the ideal accompaniment to every kind of food.

In normal conditions which were not artificially modified, the wine produced in the Community would not show any surplus even in exceptionally abundant years such as the present one. If the Community implemented a consistent common policy for wine as well, there would be no need to resort to distillation, which in the present situation has been and is becoming increasingly a necessary evil. The money spent on destroying the product could be used instead to improve and market it.

Mr President, none of us has ever thought of proposing, for wine or the other Mediterranean products, Community support and intervention mechanisms similar to those which exist for milk. On the contrary, we have always denounced the serious imbalances and large-scale speculation brought about by this type of privilege, which moreover lies at the root of the present Community budget crisis.

However, precisely for this reason, we are the best placed to call, on behalf of the Italian and southern wine-growers, for a different policy consistent with the principles of equity and balance which should guide the process of European economic integration.

New approaches are necessary, and I think that in the immediate future it will be increasingly difficult for anyone to oppose them. In order to restructure the sector and improve the quality of wines, it will be necessary, while respecting the agricultural and food supply balance in each country, to encourage and protect the areas best suited to wine-growing — i.e. those in which environmental conditions are favourable to the production of wine with an alcohol content which is sufficient for direct consumption. In the other areas, where artificial enrichment of wine is needed, it will be necessary to add grape sugar in order to guarantee the authenticity of the product and prevent adulteration. For internal consumption, it will be necessary to solve the long standing problem of excise duties by reducing them to acceptable levels or harmonizing this tax for all alcoholic beverages, provided that one of the many solutions put forward by Parliament and by the Commission is chosen.

Wine consumption in Europe is in inverse proportion to the level of excise duties and VAT. It would be sufficient to open, even only slightly, the northern European markets hitherto closed to wine in order to obtain a decisive increase in consumption. The Court of

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Justice, in a recent decision in the case brought by the Commission against the United Kingdom, reserved judgement and set the deadline of 31 December 1980 for the parties to agree on an adequate solution in order to achieve in Britain — and therefore in the other countries — a reasonable relationship between consumption taxes on wine and beer. We hope that that deadline will be respected. For foreign trade it will be essential to show greater flexibility in the matter of export rebates, to ensure that they are better adapted to changing market situations, and to engage in active marketing. The potential for export of European wine to markets outside the Community is considerable and has not yet been exploited. There are many examples one could quote, but let two suffice: that of the United States of America, where Italian exports have increased tenfold and French exports tripled in the last 10 years, and that of the Soviet Union, which has already shown some promising results. In these markets and many others it is calculated that the increase could be even greater in the future.

Mr President, we maintain that the Community must modify and improve its own guidelines for this basic sector of the Common Agricultural Policy. We think it must do so at once, particularly with a view to the accession of Greece, Spain and Portugal to the Community. As you well know, we are convinced supporters of Community enlargement and of cooperation with countries on the other side of the Mediterranean. We think it would be absurd to discriminate against other European and Mediterranean peoples and compromise the process of European integration for the sake of simplistic and erroneous calculations of advantage, but it would be criminal not to prepare for enlargement by drawing up beforehand measures which will be enough to avoid damage and conflict arising right from the start.

The problem is both difficult and pressing. It must therefore be tackled individually for each sector of production, for each aspect of trade relations, and it requires a firmness, a farsightedness and an innovatory spirit which the Community institutions have so far shown no sign of possessing.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) First of all, I would like to thank Mr Buchou and the Committee on Agriculture for this extremely clear report on the proposal for amending the regulation concerning long term storage contracts. As Mr Sutra pointed out just now, the Commission considers, especially in the present situation, that these measures, which have produced such precise and definite results, should be maintained as they represent one of the basic elements of the Community's agricultural policy. They are proof that a Community instrument can provide producers with certain guarantees and safeguards, which

they have every right to expect. So, for the Commission, it is extremely important to maintain this system, and we are pleased to note the opinion of the Committee on Agriculture. The various speakers may rest assured that Mr Gundelach will press this case before the Council of Ministers with his usual persistence and firmness because this is part of the Commission's strategy in this field.

Mr Buchou drew my attention to a budgetary proposal involving costs ranging not merely from a basic figure to twice as much but from 5 million to 121 million units of account, which is indeed, at first sight, a problem. But as he admitted himself, no one can ask us to foresee what the harvest will be like and this being so the performance guarantee varies from case to case.

Mr Sutra reminded us just now that recently we were forced to add 8 million hectolitres to the quantities originally decided. We all know how large the 1979 harvest was. On the other hand, in order to prove to the Committee on Budgets that this range is not merely a way of escaping any serious assessment of requirements, we could, instead of merely giving minimum and maximum figures, give one of the figures for past years, so that it may be seen how the system actually works and so that the Committee on Budgets may do its job as effectively as possible. In this way we could try to help to solve the problems of the Committee on Budget, it being clearly understood that we cannot simply ignore a number of eventualities which will affect expenditure.

Mr President, the authors of the various oral questions, and in particular Mr Maffre-Bauge, ask us extremely precise questions on the Commission's policy and Community policy in the wine sector. It seems to me important, at the outset, to define clearly the scope of the action programme for 1979/1985 presented by the Commission in July 1978, which Parliament has discussed and which the Council of Ministers managed to reach agreement on last December.

It should be emphasized that the guiding principle of the programme is a policy of quality production, by supporting wine production in the areas which are by nature most firmly committed to wine growing. This is a major point. Obviously, where wine production is most firmly established, the Commission will not seek to do away with it or to carry out an unrealistic policy of grubbing-up vines or destroying vineyards. A balanced agricultural policy depends on this principle being maintained. Let there be no misunderstanding on this point, either on our intentions or on the means we apply to implement them. The proof of this is that measures aimed at improving and restructuring vineyards receive the lion's share of funds in the action programme, with planned expenditure of 600 million units of account, plus 175 units of account provided from the Guidance Section of the EAGGF. This being so, there is no doubt that the measures we are taking tackle both sides of the problem. On the one hand,

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controlling new planting and encouraging the conversion to other crops of areas used for the production of table wine in regions which are less committed to wine growing. In this way we can reduce the pressure on the market from wines of insufficient quality, which is a problem we should give some thought to. The other side of the coin is the aids aimed at restructuring and rationalizing vineyards which are extremely well suited to wine growing, aid which will lead to an improvement in operating conditions, producing good quality wines suitable for direct consumption.

Various questions have been asked about how the enlargement of the Community will affect this programme up to 1985. It is inaccurate, it is not a true reflection of the situation, to state that the proposals put forward by the Commission are aimed at anticipating the enlargement of the Community and developing an excessive programme in the wine sector in order to allow for changes in the situation with the accession of Greece and, if the negotiations are successful, of Spain and Portugal. We will reach a crucial point in these two sets of negotiations during 1980 when we lay down, together with the Council, the objectives of negotiations with these two states on the agricultural sector in general and more especially on the wine sector. Naturally, these questions will give rise to a debate in this Parliament aimed at deciding — as Mr Sutra mentioned — whether the way in which the wine market is to be organized in the enlarged Community is in accordance with the basic principles of the Common Agricultural Policy and the present organization of the wine market.

The second point worth pondering is that of the transitional period. But we should remember that a transitional period is not in itself a final solution; it is a means of adjusting from a given situation to another situation, which must conform to the principles we have laid down. This should be the background for debate and for arranging the enlargement of the Community, with due regard for the rules laid down in the action programme for 1985, which was itself designed for the Community as it is at present!

Two other general questions were asked about the position and the functioning of the wine market. The first concerns excise duties and the second imports into the Community.

On the question of excise duties, it is clear that if we wish on the one hand to pursue a policy of increasing consumption and, on the other hand, to balance out conditions within the Community, the problem of the existing disparity in indirect taxation is, for products like wine and other industrial products, a question of making the market function properly. These problems are not a matter for the Commission, which is unable to take decisions in this field. They presuppose decisions by individual states accepting amendments to the system. For this reason it is important for the Council to recognize that there is a problem, and for us to see

what needs to be done. On the other hand, a discriminatory policy on excise duties, aimed at favouring the consumption of one product rather than another, would go against the smooth working of the Community. The Commission can bring infringement before the Court of Justice, and Parliament knows that the Commission has had recourse to the Court of Justice on this question and in particular on the problem of a lower tax being levied on beer compared with wine.

On the subject of imports, I have two remarks to make. First of all, it is obviously not for political or capitalistic reasons that arrangements are made with third countries. This is not our concern, for example, when negotiating with Yugoslavia or with other Mediterranean countries. These are mere fables, not the truth. What is clear is that we cannot, in certain circumstances, refuse to grant quotas, insofar as these concern quality wines for which the former countries have export opportunities, just as we have ours. On the subject of exports, let me quote an impressive figure. Both in volume and in value, we have increased exports of wine outside the Community in a quite spectacular way: we have seen an increase of 40 % in value over the last 3 years. And by volume we are, of course, net exporters.

Since time is short, I would like to propose to Mr Maffre-Baugé that I communicate to him in writing the answers to the various precise and technical questions he asked. To Mr De Pasquale, I must say that it is not true that the Commission takes no account of Italy's special situation. He knows that the proposal on wine which has been accepted by the Council includes aid for using grape must for manufacturing other products so that there can be some diversification. He also knows that within the EAGGF — I saw this for myself whilst visiting the South of Italy for other reasons — we have taken measures to improve the infrastructures: cellars for storage, bottling plants etc.

That, Mr President, is all I wanted to say at this point in the debate. I would like to apologise to Mr Maffre-Baugé for not having given him replies to the more specific questions he asked on fraud and other problems, but the Commission does not wish to impose too much on Parliament's time nor indeed on the Members of Parliament themselves.

President. — I call Mr Ligios to speak on behalf of the Group of the European People's Party (CD Group).

Mr Ligios. — (I) Mr President, ladies and gentlemen, I think that the three oral questions which have just been presented have the great merit of drawing Parliament's attention once more to the problem of the Community wine market, which, as the speakers rightly said, is at present going through an extremely serious crisis. This crisis threatens to cause social prob-

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lems of which we have already seen signs recently and which we must all help to eliminate.

Community wine production in the 1979 marketing year was characterized — as Mr Sutra rightly said — by extremely high production as compared with previous years. This was so not only in the Community countries but also in other producer countries in Europe and Latin America. In Europe total production was 168 million hectolitres, as against an average of 144 million hectolitres for the preceding five years. This increase in production occurred both in France and in Italy. Production was 38 % up in France and 10 % up in Italy over the 1978 figure, whereas in other Community countries — both in Germany and in Luxembourg — it was lower. This crisis was therefore brought about by the increase in production. The market is now stagnant with regard to trade, while wine-growers are extremely worried about what may occur when the credits which they have enjoyed in recent years expire, and they cannot find the money to meet the increasing expenditure required for the new marketing year.

The Commission and above all the Council must therefore take measures immediately, rather than postpone them until tomorrow when it would already be too late. Of course, I cannot but be in favour of the proposals approved by the Committee on Agriculture and presented so competently today by Mr Buchou, because they would operate precisely in this sense. Administrative manoeuvring undoubtedly helps to put off the moment of truth, but the crisis must be tackled at its roots. In my view we should support the agreement reached by the Council of Ministers to distil 8 to 8.5 million hectolitres of wine and thus remove it from the market.

I also agree with other points in the oral questions, for example, Mr Maffre-Baugé, the need to concentrate increasingly on the quality of the product. This is a fundamental point which we must discuss. When one starts with grapes — these are the raw material which we must discuss — which have a very low sugar content and thus produce wines which can be enjoyed only by adding sugar — and, what is more, sugar which probably enjoys Community subsidies — one produces wines with an alcohol content of 7, 8 or 9 degrees which must be maintained by adding sulphuric anhydride or substances derived from mustard essence. But these substances do not deserve our support since they do not encourage the wine-growing vocation of which Mr Davignon spoke. Mr Maffre-Baugé, these additives are not used merely in one country. I do not want to pursue this, as I wish to avoid too much controversy, but we all know in which countries there is this type of production. Which are the countries which produce wine with a lower alcohol content than others? When one starts with grapes of a low sugar content, producing wine from them becomes more of a pharmaceutical than an agricultural matter. Indeed, chemical and technical means exist to-

day for putting wines on the market which very frequently succeed in deceiving even those who claim to be experts.

I also agree on the need to discourage fraud. It is said that the Community now consumes 8-10 million hectolitres of wine produced not from grapes but by the chemical processes which I have just mentioned. On this matter I agree with the previous speakers.

I now wish to refer to some statements which Mr Maffre-Baugé made in his oral question. In practice he is asking the Commission to limit imports of Italian wine into France in terms of both volume and price and to halt the enlargement of the Community to include Greece, Spain and Portugal. Well, the French Communist Members must bear the responsibility for these political statements of theirs. We do not go along with them, because we think that the Common Agricultural Policy must be looked at in overall terms and with a longer time scale than that which Mr Maffre-Baugé had in mind.

However, I think Mr Davignon and Mr Sutra were right when they reminded us of the measures decided on by the Council of Ministers at its meeting on 11 and 12 December — the market and management measures and all the measures providing for structural changes. If the Commission, Council and Member States were really to implement these measures immediately, they could remedy this imbalance in the space of five years. I too am convinced that we are faced not with structural but with cyclical surpluses. At this stage I would ask the Commission to act at last in a positive instead of in a negative way. One cannot go on proposing the destruction of vineyards, grapes or goods which have been produced by the investment of labour and capital. I repeat, positive action is necessary — in other words the Commission must act more decisively to combat the excise duty discrimination mentioned by Mr Sutra and by Mr Davignon himself.

Mr President, my time is up. The subject is a fascinating one, and if we wished, we could discuss many other interesting aspects of it, but I must now end my speech, which could perhaps have been more succinct.

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

Mr Curry. — Mr President, you will know that it is traditional in this House for those of us who come from the colder parts of the Community to leave matters of viticultural interest to our colleagues from the warmer parts. In other words the British usually leave it to the French and Italians.

My friends on the Committee on Agriculture will know that I do have a particular interest in wine, first of all as a consumer. They will know, secondly, that

Curry

some excellent wines are grown in the United Kingdom. They are light, dry, slightly nutty and delicious before a meal, followed of course by Bordeaux during the meal. Some of them will also know that since my wife was born in Cognac and brought up in Bordeaux there is a considerable degree of alcoholic strength in my children's blood; and that if I claim Bordeaux at least as part of my honorary constituency I hope the people of Bordeaux will appreciate the love that goes into the gesture.

(Laughter)

But I am also concerned with the budgetary aspects of wine and this is what I want to talk about at the moment, particularly the distillation plans.

I see in the Commission documents that the maximum cost of the distillation of up to 12 million hectolitres of wine will be 121 million units of account. Now we had a slight problem yesterday when I tried to find out, as a poor Englishman, how many litres there were in a hectolitre. I have to say that some of my Italian colleagues thought there were a thousand, and the Commissioner decided in favour of a hundred. May I say that in the interest of budgetary economy we will compromise on ten.

But to return to his 121 million units of account, the Commission says that even if the 1982 harvest is just as big as the 1979 harvest there is no way that the budgetary cost can exceed 121 million units of account. Quite frankly, Mr President, I simply do not believe it. The current rate of inflation in Italy is approaching twenty percent; in France it is approaching twelve percent; there are no immediate prospects of a sharp reduction in the rate of inflation throughout the Community. I simply do not believe a guarantee that after a lot of inflation, and three years hence, the budgetary cost is going to stay within those limits.

What is more, distillation is of course an immensely expensive business. It is particularly expensive in its consumption of energy. We talk a lot about using wine for the production of energy. This is a case where wine is actually going to absorb energy.

Now, we on this side of the House are aware of the problems of this sector. We are aware of the feeling among Mediterranean producers that they often feel second-class citizens in the Community, that they do not have the support that is enjoyed by producers in temperate climates. Most of this Chamber will be aware that our group would like to try and rationalize some of the support that goes to the temperate regions; but we do not wish to give the impression that we are without charity when it comes to small producers of a product from which it is very difficult to escape. We realize that the system is immensely hotch-potch and chaotic. We realize that some results have

been the opposite to those intended. For example, there has actually been a switch from quality to quantity in the production of wine from some regions, because of the greater return to the viticultor. We believe that there is a need to reinforce the incentives for quality wine. In particular, we should like to see some sort of limitation of the volume of wines qualifying for support. After all, this is now being proposed by the Commission in the dairy sector. We think this principle of a quantum may be one for consideration in the wine sector.

The resolution from the French Communists refers to enlargement, and here I should like to join Mr Ligios entirely in my attitude. We know what the French Communists' position is. They have always been against enlargement; they are against enlargement now. Enlargement, Mr President, follows from this Community's perception of its own political security and its need to extend the hand of democracy to countries which are among the few nations struggling to achieve democracy. Sectional self-interest cannot be judged superior to those objectives. We also understand the French Communists' position when it comes to the import of Italian wine; but I have to tell you, Mr President, that if we had a smattering of sympathy from them on the problem of the assassination of the English apple industry by French apple imports....

(Applause)

...We should feel slightly more sympathy when they talk about the assassination of their own industry by Italian wine being sold to France. Here again I sustain Mr Ligios' point of view.

We have heard a lot about the taxes on wine. I have told you that I am a consumer of wine. I would love to have lower taxes on wine. May I ask you to remember that taxes on wine and beer in the United Kingdom are the same for both domestic and for the imported variety? May I ask you to contemplate why it is that wine is often cheaper in Marks and Spencers in Cambridge or in Colchester in the United Kingdom than it is in the supermarkets of Strasbourg? Can we not put the boot on the other foot? There is a French tax on our whisky which is at a penal rate compared to Cognac, even though in my submission barley is just as much an agricultural product as grapes. There is discrimination against whisky in Italy. There are bans on the advertising of whisky in France and in Luxembourg. Whisky has been deprived for years of any sort of restitution payment, because it has been linked to an ethyl-alcohol regime, which is itself likely to turn out to be a nonsense and I hope will turn out to be nothing at all. We do urge the Commission to get on with the business of producing those restitution amounts from the cereals regime which they have promised frequently but have delivered to a very limited extent.

We now notice that France is seeking a definition of rum which would favour its own overseas territories

Curry

and departments and penalize Commonwealth rum which comes from the poorest part of the developing countries.

Mr President, I do not wish to indulge in competitive discrimination; when it comes to discrimination, the non-tariff barriers to trade are sufficient as they are in this Community. I would join with my colleagues here in making a concentrated attack on all of them. If we are talking about this sector, Mr President, we are not lily-white ourselves, but neither are we the leaders of this particular motion. We recognize the problems of the sector; we have sympathy with those problems. We should like to see a much more coherent policy emerging, because we have talked about enlargement and we know that when it comes there will be specific problems in these Mediterranean regions. We wish to see this whole Community work out its political response; its response as far as the sectors are concerned; and the budgetary framework within which they will both be fitted.

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — (I) Mr President, ladies and gentlemen, this is an extremely interesting debate on a subject of immense importance for the Community economy. In essence, the views of Mr Ligios correspond exactly to my own views. However, I should like to make a few comments. Mr Maffre-Baugé's oral question could almost be regarded as a despatch from the front in the most hard-fought campaign of the 'wine war'. On the other hand, this document is contradicted by other documents, such as that of Mr Sutra, Mr Gatto and others, providing data which suggest that the arguments put forward by Mr Maffre-Baugé are influenced by a partisan approach and by the interests of individual countries of the Community.

Indeed, when we consider that 43 million hectolitres of wine were imported into the Community, and that 38 million hectolitres of wine were destroyed, we begin to realize that the views put forward by some members do not entirely correspond to the facts, since Italy conformed with the directives of the European Community and destroyed thousands of hectares of vineyards. Moreover, we would say that this document is an attempt to evade the principle of free movement of goods and block the current process of enlargement of the Community to include the three applicant countries.

The agreement reached by the Council of Ministers of Agriculture on 11 and 12 December last, if diligently applied with political will and a sense of responsibility, can guarantee producers' incomes and ensure that surpluses are distilled at the agreed price. This agreement, which will be enshrined in the regulation which should come into force in May, regulates the addition of sugar to wines in some regions of France and adopts

market measures which will definitely lead to wider consumption of wine-growers' products and to a better balance between supply and demand. Finally, structural measures are envisaged, prohibition of new plantings is extended — not that we are entirely in agreement on this, because account should be taken of more or less favourable conditions for cultivation of vines — and the vineyard restructuring plan is tackled. All this should therefore satisfy the Members who today complained of what they described as almost an aggressive policy on the part of Italian wine growers.

There is a need to draw up a marketing policy for this sector, which can and must be a source of wealth for the Community, not by artificially reducing consumption through excise duties and other means — as has been amply demonstrated here — but by improving quality, increasing consumption and creating new markets, while avoiding the fiscal barriers which would hinder the distribution of a product which is part of the Community's wealth. All this must be done before the forthcoming enlargement of the Community. The effects of this enlargement on the wine market do not need to be explained, for they can be foreseen and identified even now, and a shrewd, intelligent and farsighted policy can certainly avoid them.

There has been talk of producers' rights and consumers' rights. We should rather speak of the rights of the Community economy, and it is only by a shrewd policy that we can avoid the disadvantages to which attention has been so forcefully drawn, and exploit to the full the real source of wealth for the Community which wine-growing represents.

President. — I call Mr Buchou.

Mr Buchou, rapporteur. (F) Mr President, I would like to say first of all, as rapporteur for the first text, that I appreciated the Commissioner's replies and, in particular, that he can count the members of the Committee on Agriculture, who are specially interested in the question of wine to try, in conjunction with the Committee on Budgets, to solve this problem of adjusting from one year to the next the financial appropriation which will be required; even though this is not a very difficult problem it is nonetheless one which must be watched.

On the more general aspects, on which I can speak on behalf of my group, I would first like to say that we are extremely pleased with the first stage which has been reached in reinforcing the arrangements made, involving in particular the income guarantee given to wine growers in the form of a 'performance guarantee' for long-term storage contracts.

However, and to our regret, this guarantee is far from being as comprehensive as that granted to other major agricultural products, which receive a complete price

Buchou

guarantee thanks to automatic, regular intervention at a specified level.

Up to now, the use of distillation in the 'performance guarantee' for 1978-79 storage contracts has been one of the elements in price support, making it possible in particular to eliminate 9 million hectolitres from the Community market, which has considerably eased the situation on this market and made it possible for the market to become almost normal. The fact that these measures have been extended would seem to offer prospects for the rationalization of a market under new over-production difficulties.

The present 1979 harvest is of worrying dimensions — 80 million hectolitres in France! It is an exceptional harvest, but one which was, let us not forget, preceded by a harvest which produced only slight surpluses and itself followed two years of a shortfall in production. No doubt this situation will not recur under these new provisions at least we must hope not.

In view of the increases in exports, provided consumption in the Community remains at the same level — whereas there was a considerable decline in previous years — and if the 'spirits' sectors does not go into a major decline, we can face the future with some confidence.

Against this background, we invite the Commission to submit proposals aimed at stimulating consumption, increasing refunds for exports to third countries, and abolishing taxation which discriminates against wine. This is important for reasons which, in fact, bear some looking into. Attempts have been made in some countries — in France particularly — to hold down wine consumption. We do not consider that the reasons advanced for this, which were basically reasons of public health, are sufficient justification for completely halting the development of wine consumption. There is also a need to increase refunds for exports to third countries and abolish taxation which discriminates against wine.

I am well aware that Mr Curry mentioned assassination just now. In his opinion, we were responsible for assassinating certain sectors of British agriculture. But, Mr Curry, in France we have a law which we observe faithfully and which applies to everyone, including our Government, and which stipulates that one must assist anyone who is in danger. It is not our fault if the United Kingdom does not have this same provision. As for exports, I would remind you that France exported 8 million hectolitres the previous year, which brought in 11 000 million francs, whereas her overall agricultural balance of payments situation showed a surplus of only 6 000 million francs. At a time of energy shortage and problems, these figures are extremely encouraging.

In this present difficult situation, however, we must

take special measures to cope with this temporary over-production.

It is for this reason that we attach great importance to the arrangements for a 'floor price' adopted by the Council, which forbid any movement within the Community of wine which falls below 85 % of a certain price; this measure is backed up by provisions for distillation which take effect at this price level. We are anxious to see this measure applied in practice, because we would not like 'internal loopholes' to be added to the existing 'external loopholes'. Nevertheless, given the exceptional size of the current harvest, we would like to see use made without delay of the opportunities provided by Article 15 of Regulation 337/79, which allows for exceptional distillation schemes at a price fixed by the Council. It is in fact the intra-Community floor price, linked with the possibility of an exceptional distillation scheme, which forms the essential element in market support. We thus urge the Commission and the Council to respect the underlying philosophy of the relevant regulations.

As far as structural measures are concerned, however, measures which we on the whole approve of, we feel that the European wine industry will only be able to shake off its structural crisis if coercive measures are taken with a view to limiting production to areas which are clearly destined for this, although it would be wrong to be excessively draconian here, because there are some limited areas which produce excellent local wines and which must be protected, since we must not over-generalize. But it is also true that there are a number of areas where it is quite obvious that wine production has no great future. On the other hand, areas clearly destined for wine-growing must really be protected. We have always maintained that agreement should be reached on a proper scheme for regulating planting, together with suitable checks, for example by extending in particular the scope of the viticultural land registers to cover Italy. And we must emphasize today the risks involved, for the future of the Nine's wine-growing capacity, in a systematic policy of grubbing up vines, since a reduction in our wine-growing capacity can only encourage countries applying to join the Community to increase their own capacity. I appreciate, Mr Commissioner, that you told us just now that it was far from being the Commission's intention — and we are on the same wavelength here — to pursue a grubbing-up campaign in order to favour the applicant countries. However, it is impossible to avoid seeing some connection between the prospective entry of countries with a high wine-growing capacity and a proposal for grubbing up vines in countries which are already members of the Community. Naturally, there is some room for manoeuvre in the structural measures announced: the grubbing-up of vines is not always final. And the measures are measures of a voluntary nature. The right to replant remains, and we appreciate that temporary grubbing up of his vines nonetheless allows a wine grower to replant after eight years; this could be a dissuasive factor

Buchou

for the applicant countries, at least we hope so.

As for price levels, while the figures for grubbing up of vines seem adequate, we have some doubts about the notion of actual conversion to new products. The grants which we are in favour of in Europe for converting to new products are, to our mind, 'tide-over allowances' aimed at enabling farmers to wait until these new crops really become profitable. If these conversion plans are not to become a dangerous illusion, they should not be applied in wine growing areas where production is of a high standard both in quantity and in quality. We must also ensure that farmers do not suffer a drop in income as a result of changing their production.

On this subject I would like to say a few words about Languedoc-Rousillon. This region received aid under a previous programme. Now, it may well be a cause for concern that the general programme of aid for restructuring, which is financially more favourable than the specific programme previously devoted to Languedoc-Rousillon, should not be applied in this region.

In conclusion, we must insist on the need for an advertising campaign for quality produce, both within the Community and in export markets. This is the best way of promoting European wine growing, which is a major asset, and I would like, Mr President, to take this opportunity, in concluding my remarks, to stray a little from the realm of economics and statistics in order to recall the special position which wine has held in the history of the peoples of Europe, who once had vineyards in more northern areas. We must therefore protect this product, in order to preserve one of Europe's most attractive characteristics: wine, which is to be found at all happy events and which is, above and beyond its economic importance, a precious part of our European heritage.

President. — The proceedings will now be suspended until 3 p.m. The House will rise.

(The sitting was suspended at 1 p.m and resumed at 3.20 p.m)

IN THE CHAIR: MR DANKERT

Vice-President

President. — The sitting is resumed.

First of all I want to offer my apologies for the fact that you have been kept waiting for a quarter of an hour because of one or two problems in the Bureau. I

hope that we shall be able to make up the time by getting through the voting smoothly.

I call Lord Harmar-Nicholls on a point of order.

Lord Harmar-Nicholls. — Mr President, whilst we understand and accept your apology, so graciously given, for being a quarter of an hour late, I do believe that in the interests of sensible administration something ought to be done to make such an apology unnecessary. We have a President and we have Vice-Presidents. We know that the members of the Bureau have duties too, but I believe that it must be made definite that the plenary sitting itself starts at the appointed time with someone in the President's chair.

(Applause)

President. — You are perfectly right, Lord Harmar-Nicholls. However, I must say that as one of the twelve Vice-Presidents I am very anxious to be present at the debate on the provisional twelfths, which in my view is of tremendous importance for this Parliament.

8. Urgent procedure

President. — I have received from Mrs Weiss and others a motion for a resolution (Doc. 1-18/80), tabled on behalf of the Group of European Progressive Democrats and pursuant to Rule 14 of the Rules of Procedure, on the:

position of the hostages in Iran following the failure of the UN mission.

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

The vote on this request for urgent debate will take place at the beginning of tomorrow's sitting.

9. Votes

President. — The next item is the voting on the motions for resolutions on which the debate has closed.

We shall begin with the *motion for a resolution contained in the Barbarella report (Doc. 1-824/79): Agricultural structures policy.*

We must first vote on the amendments, tabled by Mr Ansquer on behalf of the Committee on Budgets, to the proposals for Council regulations.

On proposal I for a Council regulation establishing a common measure for the development of beef cattle

President

and sheep production in Italy, Mr Ansquer has tabled Amendment No 31 seeking to reword Article 6, paragraph 1, as follows:

The expenditure incurred by Italy within the framework of the programmes referred to in Article 2 and in relation to the measures referred to in Article 3, paragraph 1, shall be eligible for assistance from the Fund.

I also have Amendment No 32 seeking to reword Article 7, paragraphs 2 and 3, as follows:

2. The total contribution of the Fund towards the cost of the common measure for the initial period of five years is estimated as an indicative value at 357 million EUA.
3. Before the expiry of the initial period of five years, the present regulation shall be reexamined by the Council following a proposal by the Commission. A new estimate shall be made of the total contribution of the Fund for the second period of five years.

On proposal II for a Council regulation for the stimulation of agricultural development in the less favoured areas of the west of Ireland, I have Amendment No 35 seeking to reword Article 17, paragraph 2, as follows:

The total contribution of the Fund to the cost of the common measure from 1 January 1979 to 31 December 1982 under the provisions of paragraph 1 is estimated at an indicative value of 24 million EUA.

I have Amendment No 36 seeking to reword Article 18, paragraph 2, as follows:

The total contribution by the Fund to the cost of the common measures including that envisaged under Title VI is estimated at an indicative value of 224 million EUA.

I have Amendment No 37 seeking to reword Article 20, paragraph 2, as follows:

The Fund shall reimburse the Irish Government in relation to the total cost under subparagraph (a) and the actual expenditure incurred under subparagraph(b):

- (a) 40 % for the measures referred to in Article 4 (a);
- (b) 50 % for the remaining measures.

On proposal III for a Council regulation for the development of sheep farming in Greenland, I have Amendment No 33 seeking to reword Article 5, paragraph 2, as follows:

The total contribution from the Fund to the cost of the common measure is estimated at an indicative value of 7.5 million EUA.

I also have Amendment No 34 seeking to reword Article 6, paragraph 2, as follows:

The actual expenditure incurred shall be subject to a reimbursement by the Fund to the Kingdom of Denmark of 40 % under Article 2, paragraph 1 (b) and (c) and 50 % under the remaining subparagraphs of that article.

On proposal IV for a Council regulation on an inte-

grated development programme for the Western Isles of Scotland, I have Amendment No 43 seeking to reword Article 5, paragraph 2, as follows:

The Fund shall reimburse to the United Kingdom:

- 40 % of the eligible expenditure on measures to improve agricultural infrastructure;
- 50 % of the eligible expenditure on other measures as referred to in paragraph 1 and of the actual cost of planning and administering the programme.

I also have Amendment No 38 seeking to reword Article 6, paragraphs 2 and 3, as follows:

2. The total contribution of the Fund to the cost of the common measure is estimated at an indicative value of 15 million EUA for the first five years.
3. Before expiry of the first five-year period, this regulation shall be reviewed by the Council acting on a proposal by the Commission. A new estimate shall be made of the total contribution of the Fund for the second period of five years.

On proposal V for a Council regulation on an integrated development programme for the Department of Lozère, I have Amendment No 39 seeking to reword Article 5, paragraph 2, as follows:

The Fund shall reimburse to France:

- 50 % of the eligible expenditure relating to the measures referred to in paragraph 1 and of the actual cost of drawing up and administering the programme.

I also have Amendment No 40 seeking to reword Article 6, paragraphs 2 and 3, as follows:

2. The total contribution of the Fund to the cost of the common measure is estimated at an indicative value of 15 million EUA for the initial five-year period.
3. Before the end of the initial five-year period, this regulation shall be reviewed by the Council on a proposal from the Commission. A new estimate shall be made of the total contribution of the Fund for the second five-year period.

On proposal VI for a Council regulation on an integrated development programme for the Belgian province of Luxembourg, I have Amendment No 41 seeking to reword Article 10, paragraph 3, as follows:

The total contribution of the Fund to the cost of the common measure is estimated at an indicative value of 5 million EUA for the initial five-year period.

On proposal VII for a Council regulation amending Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed (Special measures in respect of the slaughtering of pigs and the processing of pigmeat in France and the United Kingdom), I have Amendment No 42 seeking to reword Article 1 as follows:

The following subparagraph is added to Article 16 (3) of Regulation (EEC) No 355/77:

President

In addition, an extra sum estimated at 40 million EUA shall be reserved ... (rest unchanged).

In view of the fact that all these amendments have been tabled by the Committee on Budgets and since — if I have understood him correctly — the rapporteur of the Committee on Agriculture has no objection to them, I propose that we take a single vote on these amendments in order to save time.

Since there are no objections, that is agreed.

I put to the vote all the amendments, tabled by Mr Ansquer on behalf of the Committee on Budgets, to the proposals for Council regulations.

The amendments are adopted.

We shall now consider the motion for a resolution. I put to the vote the first five indents of the preamble.

The first five indents of the preamble are adopted.

On the sixth indent of the preamble, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 13 seeking to replace the words *greater equality in the incomes of by improving the income of the poorest*.

I put Amendment No 13 to the vote.

As the result of the show of hands is doubtful, we shall take a fresh vote by sitting and standing.

Amendment No 13 is adopted.

I put to the vote the sixth indent of the preamble, thus amended.

The sixth indent of the preamble, thus amended, is adopted.

I put to the vote the seventh indent of the preamble.

The seventh indent of the preamble is adopted.

I put to the vote paragraph 1 of the motion for a resolution.

Paragraph 1 is adopted.

On paragraph 2, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 14 seeking to amend the paragraph as follows:

Points out that a well-designed structural policy can contribute significantly to reducing disparities and believes that in the interests of promoting better balance on the agricultural markets, structural grants should not be made available to farms engaged in producing commodities in structural surplus.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 14 to the vote.

Amendment No 14 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

On paragraph 3, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 15 seeking to amend the paragraph as follows:

Believes that structural aid should be given on a more selective basis, having more regard to regional needs, and that the minimum income criteria should be updated so that farms which can never be viable will not be aided.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 15 to the vote.

Amendment No 15 is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

On paragraph 5, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 16 seeking to amend the paragraph as follows:

Considers that owing to changing economic conditions the 1972 directives have had less effect than anticipated.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 16 to the vote.

Amendment No 16 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

I have two amendments on paragraph 6. Mr Diana on behalf of the Group of the European People's Party

President

has tabled Amendment No 1 seeking to amend the second part of the paragraph as follows:

... but believes that access to modernization for farms so far excluded from Community aid could be made much easier if the recipients were allowed to choose between:

- (a) a minimum of 80 % of the earned income in non-agricultural activities in the area, which could be reduced to 70 % in the less-favoured areas and mountain or hill areas referred to in Directive 75/268/EEC;
- (b) a maximum which, also at the choice of the recipient, could be equal to the earned income of those engaged in non-agricultural activities in the area or to the national average income in non-agricultural activities.

Mr Provan on behalf of the European Democratic Group has tabled Amendment No 17 seeking to amend paragraph 6 as follows:

Agrees, as regards Directive No 159, with the decision to introduce more flexibility into the level of earned income to be attained, and believes that if national governments wish to lower the income objective to a level of 80 %, such standards should not be part of an EEC programme but funded at national level.

These amendments are mutually exclusive.

What is the rapporteur's opinion?

Mrs Barbarella, rapporteur. — (I) I am against both amendments, Mr President.

President. — I put Amendment No 17 to the vote.

Amendment No 17 is rejected.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

After paragraph 6, Mr Barbagli on behalf of the Committee on Social Affairs and Employment has tabled Amendment No 3 seeking to insert the following new paragraph:

6a. Invites the Commission to consider the need to:

- (a) initiate a common action in the form of temporary intervention to assist the vast majority of farms (about 77 %) which do not meet the requirements for recourse to a development plan;
- (b) give greater encouragement to cooperation and to those types of farmers' associations whose objective is to process and market agricultural products in order to recoup for production that part of the added value deriving therefrom;
- (c) increase substantially, with the latter aim particularly in mind, the amount of finance made avail-

able under Regulation 355/77¹ and provide for the proportion of the expenditure not covered by the capital account contributions of the EAGGF and of the Member State to be financed by loans on favourable terms, without the updated value of the favourable loans being considered as additional public aid.

Am I right in thinking that the rapporteur wants a separate vote?

I call Mrs Barbarella.

Mrs Barbarella, rapporteur. — (I) Mr President, I should like a separate vote on the three paragraphs, as I am against paragraph (a) and in favour of paragraphs (b) and (c).

President. — I put paragraph (a) of Amendment No 3 to the vote.

Paragraph (a) is rejected.

In view of the rapporteur's opinion, I put paragraphs (b) and (c) to the vote together.

Paragraphs (b) and (c) of Amendment No 3 are adopted.

On paragraph 7, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 18 seeking to delete this paragraph.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 18 to the vote.

Amendment No 18 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 29 seeking to delete this paragraph.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) Against, Mr President.

President. — I put Amendment No 29 to the vote.

Amendment No 29 is rejected.

¹ OJ L 51 of 23. 2. 1977.

President

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

On paragraph 9 I have three amendments. Mr Buchou and Mr Davern on behalf of the Group of European Progressive Democrats have tabled Amendment No 9 seeking to amend the paragraph as follows:

Calls upon the Commission therefore:

(a) for the dairy products sector, to identify areas where productions surpluses are produced (3 words deleted) and to draw up for those areas a reorganization plan offering a package of structural aids and incentives designed to make other production sectors more attractive;

(b) and (c) unchanged.

Mr Provan on behalf of the European Democratic Group has tabled Amendment No 19 seeking to delete subparagraph (b) and Amendment No 20 seeking to delete subparagraph (c).

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the three amendments, Mr President.

President. — I put Amendment No 9 to the vote.

Amendment No 9 is rejected.

I put subparagraph (a) of paragraph 9 to the vote.

Subparagraph (a) of paragraph 9 is adopted.

I put Amendment No 19 to the vote.

Amendment No 19 is rejected.

I put subparagraph (b) of paragraph 9 to the vote.

Subparagraph (b) of paragraph 9 is adopted.

I put Amendment No 20 to the vote.

Amendment No 20 is rejected.

I put subparagraph (c) of paragraph 9 to the vote.

Subparagraph (c) of paragraph 9 is adopted.

I put paragraphs 10 and 11 to the vote.

Paragraphs 10 and 11 are adopted.

On paragraph 12, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 21 seeking to delete this paragraph.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) Against, Mr President.

President. — I put Amendment No 21 to the vote.

Amendment No 21 is rejected.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

On paragraph 13, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 22 seeking to insert after *young people* the words *and new entrants*.

What is the rapporteur's opinion?

Mrs Barbarella, rapporteur. — (I) Against, Mr President.

President. — I put Amendment No 22 to the vote.

Amendment No 22 is rejected.

I put paragraph 13 to the vote.

Paragraph 13 is adopted.

I put Paragraph 14 to the vote.

Paragraph 14 is adopted.

After paragraph 14, I have two amendments by Mr Barbagli on behalf of the Committee on Social Affairs and Employment. He has tabled Amendment No 5 seeking to insert the following new paragraph:

14a. Emphasizes, in view of the absolute need to ensure that there are sufficient new farmers in the years 1985-1995, that it is vital to draw up a special policy for young people, both individually and in association, which, while maintaining freedom of professional choice, nevertheless aims to encourage specialization of production and social advancement through:

(a) the provision of incentives, such as study-grants, for young people who take courses in the various specialized branches of agriculture;

(b) on-going education;

(c) socio-economic aid;

(d) preferential access to farming and to the credit and finance provided for trial schemes and development plans.

Mrs Barbagli has also tabled Amendment No 4 seeking to insert the following new paragraph after paragraph 14:

President

14b. Draws attention to the relatively sharp decrease in the number of women employed in agriculture and urges that, when a policy for young people is being formulated, particular attention be given to the position of girls and young women.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am in favour of both amendments, Mr President.

President. — I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I have two identical amendments on paragraph 15. Mr Diana on behalf of the Group of the European People's Party has tabled Amendment No 8, and Mr Provan on behalf of the European Democratic Group has tabled Amendment No 23, both seeking to delete the words *on a productive basis*.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) The amendments are identical, Mr President, and I am against them.

President. — I call Mr Diana.

Mr Diana. — (I) It does not seem to me that the amendments are identical, Mr President. In any case, I am withdrawing Amendment No 8 which I tabled.

President. — Amendment No 8 has been withdrawn.

I put Amendment No 23 to the vote.

Amendment No 23 is adopted.

I put to the vote paragraph 15, thus amended.

Paragraph 15, thus amended, is adopted.

I put paragraph 16 to the vote.

Paragraph 16 is adopted.

I have two amendments on paragraph 17. Mr Diana on behalf of the Group of the European People's Party has tabled Amendment No 2 seeking to amend the paragraph as follows:

17. Points out that Directive 160 has not so far come up to expectations, not only because of the economic

crisis, but also because the allowances proposed were too low and the conditions of eligibility too restrictive for it to be really effective.

Considers, therefore that the early retirement allowance should be charged to the Community budget and be at least equal to the pension which the person concerned would have received on reaching 65 years of age.

Proposes, with a view to creating greater land mobility, that the structural aid premium should be doubled and be no longer subject to the condition that whoever takes over the land must submit a development plan.

Mr Buchou and Mr Davern on behalf of the Group of European Progressive Democrats have tabled Amendment No 10 seeking to amend paragraph 17 as follows:

Believes that the aim of the measures proposed to improve implementation of Directive 160 should be to maintain a balanced agricultural population and thus to gear agricultural structures to the common interest of those persons, particularly young people, who should be encouraged to stay on the land and those persons who are compelled to leave agriculture.

These two amendments are mutually exclusive.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against both amendments, Mr President.

President. — I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

Amendment No 10 therefore falls.

I put paragraphs 18 to 25 to the vote.

Paragraphs 18 to 25 are adopted.

On paragraph 26, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 24 seeking to replace the words *by the criteria by within the framework*.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) This amendment is acceptable, Mr President.

President. — I put Amendment No 24 to the vote

Amendment No 24 is adopted.

President

I put to the vote paragraph 26, thus amended.

Paragraph 26, thus amended, is adopted.

On paragraph 27, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 25 seeking to amend the paragraph as follows:

Welcomes in particular the proposals for development programmes which form a complete package of measures; believes that this type of programme . . . (rest unchanged)

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 25 to the vote.

Amendment No 25 is rejected.

I put paragraph 27 to the vote.

Paragraph 27 is adopted.

On paragraph 28, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 26 seeking to amend the paragraph as follows:

Stresses the importance of proposals for specific development programmes, but points to the need to give priority to the structural nature of measures so that funds are not spent haphazardly.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 26 to the vote.

Amendment No 26 is rejected.

I put paragraph 28 to the vote.

Paragraph 28 is adopted.

On paragraph 29, Mr Provan on behalf of the European Democratic Group has tabled Amendment No 27 seeking to add the following at the end of the paragraph: *and not distort production.*

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am against the amendment, Mr President.

President. — I put Amendment No 27 to the vote.

Amendment No 27 is adopted.

I put to the vote paragraph 29, thus amended.

Paragraph 29, thus amended, is adopted.

I put paragraph 30 to the vote.

Paragraph 30 is adopted.

I have two amendments on paragraph 31. Mr Gatto, Mrs Cresson, Mr Pisani, Mr Sutra and Mr Arfè have tabled Amendment No 11 seeking to amend the paragraph as follows:

Considers, nevertheless, that in order to give a more effective direction to European agriculture — i.e. to achieve better balanced markets and improve the average competitiveness of European agriculture — the two instruments which make up the common agricultural policy (prices and structures) must be utilized in a coordinated and consistent manner.

Mr Provan on behalf of the European Democratic Group has tabled Amendment No 28 seeking to amend the paragraph as follows:

Calls on the Commission to initiate plans for a rural policy combining regional, social and agricultural structural objectives.

The two amendments are mutually exclusive.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) I am in favour of Amendment No 11, Mr President.

President. — I put Amendment No 11 to the vote.

Amendment No 11 is rejected.

I put Amendment No 28 to the vote.

Amendment No 28 is adopted.

After paragraph 31 I have three amendments seeking to insert new paragraphs. Mr Barbagli on behalf of the Committee on Social Affairs and Employment has tabled two amendments as follows.

Amendment No 6:

31a. Invites the Commission to look more closely at the various social aspects of agriculture and to put forward proposals in this area. as it considers that a fair and effective policy on structures can be spelt out and implemented only if all the human factors associated with work on the land are taken into account.

Amendment No 7:

31b. To this end, and by way of example, calls on the Commission to provide as soon as possible a clear

President

picture of the situation with regard to social security systems for male and female workers in agriculture, bringing out the discrepancies and discrimination which exist between these and similar schemes for workers in other sectors of the economy.

Mr Gatto, Mrs Cresson, Mr Pisani, Mr Sutra and Mr Arfè have tabled Amendment No 12:

- 31a. Therefore considers that any revision of the structural policy must go hand in hand with a readjustment of the prices and market policy which, while remaining the principal instrument of market intervention, must form part, together with the structural measures, of an overall production and development strategy.

What is the rapporteur's position?

Mrs Barbarella, rapporteur. — (I) Mr President, I am in favour of Amendment No 12, and also Amendments No 6 and 7 which happen to cover different points.

President. — I put Amendment No 12 to the vote.

Amendment No 12 is rejected.

I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

I put paragraph 32 to the vote.

Paragraph 32 is adopted.

After paragraph 32, Mr Ansquer on behalf of the Committee on Budgets has tabled Amendment No 30 seeking to insert the following new paragraph:

32a. As regards the financial aspect of the proposals, calls on the Commission to:

- (a) scrutinize more closely and methodically than in the past the practical effectiveness of the 'improved' directives and to notify the Council and Parliament annually of any persistent difficulties in implementing them;
- (b) carefully weigh up the financial effectiveness of further decentralization of the Community's agricultural restructuring policy before that policy is implementing on a larger scale;
- (c) amend the wording of certain articles in the draft regulations relating to new measures and aid for the slaughtering of pigs in France and the United Kingdom in order to bring out more clearly the essentially indicative nature of the cost estimates.

I call Mr Provan.

Mr Provan. — I would like a separate vote.

President. — I call Mrs Barbarella.

Mrs Barbarella, rapporteur. — (I) Mr President, I am favourable to the amendment in its entirety.

President. — I put to the vote subparagraph (a) of Amendment No 30.

Subparagraph (a) of Amendment No 30 is adopted.

I put to the vote subparagraph (b) of Amendment No 30.

Subparagraph (b) of Amendment No 30 is adopted.

I put to the vote subparagraph (c) of Amendment No 30.

Subparagraph (c) of Amendment No 30 is adopted.

Members may now give explanations of vote. I call Mrs Le Roux.

Mrs Le Roux. — (F) Mr President, I want to explain the French Communist vote on the Commission proposals on agricultural structures.

The Commission's structural policy is a failure. This is not our opinion but that of the Commission itself, in its Doc. 438. Only 1.4 % of all the agricultural holdings in the Community are in the process of being modernized. Among this figure of 1.4 %, only 3 338 French holdings have been able to take advantage of development plans. What is more, these were medium-sized or large farms. The small family holdings which are in dire trouble in our country have had absolutely no opportunity of getting modernization aid. The better off regions have had the first cut of the cake — Germany, in particular, with 27 000 farms.

The second comment I want to make concerns the proposal to lower the comparable income of farmers in view of the fact — as the Commission points out — that non-agricultural workers must devote some of their income and their time to travelling to and from work. I have one question to ask: if this is the attitude, why is there no proposal to deduct from farmers' incomes the benefits in kind they get from their vegetable patches and their chicken runs? And while you are at it, why do you not make a deduction for clothing, since they do not have to dress as well as city dwellers? And why do you not deduct the money they cannot spend on sport and recreation, because they live too far away from sporting and cultural facilities?

The fact is that the Commission, together with the majority of the Committee on Agriculture, admits that in

Le Roux

the less favoured areas income is equal to 70 % of comparable income, which is about the level of the guaranteed minimum wage. What the Commission is really after is official approval of the low incomes of small farmers, nothing less than formal acceptance of the reduced purchasing power which the small farmer in France has put up with these last seven years.

The third comment I want to make is that this structural policy which the Community is currently introducing will sound the death knell for entire regions, mine in particular. What is the Commission proposing, after all? Firstly, it wants a programme of reorganization for the dairy sector to encourage reconversion and to suspend current aid. Where I come from, there would be thousands of small farmers deprived of a livelihood even though there is far from a surplus of production...

President. — I call Mr Sutra to speak on behalf of the Socialist Group.

Mr Sutra. — (F) Mr President, ladies and gentlemen, what we have to decide on now is the report which Mrs Barbarella has prepared on behalf of the Committee on Agriculture. Let me say that we found the report very interesting and tremendously constructive. We feel that it is only the starting-point for the review of a policy which has been inadequate until now, by which I mean the structural policy, especially in the less favoured areas. In spite of all the faults of this policy, the report gets our approval and we shall vote in favour of it.

President. — I call Mr Kirk.

Mr Kirk. — (DK) Mr President, I should like to state that I shall be voting against this report. I do not feel that Parliament has had an opportunity to exert influence on the Commission's proposals so that the policy to be implemented in agricultural structures could be more effective and more active to the benefit of agriculture throughout the Community. In fact, Mr Sutra's remarks only go to show that what the emphasis is on in the report is an attempt to conduct regional and social policy.

I hope that the report will be rejected in its entirety, so that we can have a chance to inspire the Commission to conduct a more active structural policy in the agricultural sector.

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

Mr Provan. — Mr President, I just want to apologise to the House for taking such a long time to get all

these amendments through and having them on the floor of the House today. We believe in this group that we have got to have a fundamental change in the structure of European agriculture. We believe that basically what we are trying to do at the moment is to prop up something that is not necessarily contributing properly to the overall economy of European agriculture and therefore to Europe as a whole. We shall therefore probably have to reject this report.

President. — I put to the vote the motion for a resolution.

The resolution is adopted.

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* *

President. — We shall now consider the *motion for a resolution contained in the D'Angelosante report (Doc. 1-639/79): Directive on transferable securities.*

I call Mr D'Angelosante.

Mr D'Angelosante, rapporteur. — (I) Mr President, I have this to say. As the House knows, the Legal Affairs Committee has tabled an amendment to Article 11, paragraph 4, seeking to delete the first subparagraph of the paragraph in question and to reword the paragraph. The Commission has told us that it agrees to this change, but instead of an amendment replacing the text it would prefer a simple amendment deleting the first subparagraph of Article 11, paragraph 4.

I am in agreement. I am ready to vote for a simple amendment deleting the first subparagraph of paragraph 4 instead of our amendment seeking to replace the text. I believe that the committee is also in agreement with this proposal by the Commission. However, if the Rules of Procedure do not allow us to vote on an amendment which differs from the one we have here, we shall vote in favour of this amendment. In my view, the Commission will be complying with Article 149 of the Treaty in presenting these proposals, even if it proposes the deletion of the first subparagraph of Article 11, paragraph 4.

President. — I fully appreciate your problem but we can vote only on the motion for a resolution as a whole.

I put the motion for a resolution to the vote.

The resolution is adopted.

10. *Problems of the wine market* (continuation)

President. — The next item is the continuation of the joint debate on the Buchou report (Doc. 1-826/79) and three oral questions (Docs. 1-698/79, 1-760/79 and 1-809/79) on the wine market.

I call Mr d'Ormesson.

Mr d'Ormesson. — (*F*) Enough criticism is levelled at the Community institutions in this House to make it difficult for me to praise them now. However, it is in fact clear that the measures adopted by this Parliament have enabled the winegrowing sector in our countries to avoid a major crisis. If we take the aid provided under 'performance guarantees' for storage operations undertaken during the 1979 financial year, together with the preventive distillation measures, we are faced with the conclusion that the winegrowers of the South of France have received a sum of 220 million French francs, to which must be added for my country 45 million francs of regional aid for the modernization of wine or fruit growing cooperatives. There now exist in addition to these measures, for the organization of marketing, conversion grants, both for grubbing-up lower quality vines or to permit improvement of the vineyards and of the vine varieties in the wine-growing areas of the South of France. All these measures go to prove, if proof were needed, how interested the Community is in viticulture.

It is nonetheless true that there are some very important problems, of which I am fully aware. I would just like to recall, after all the criticism which has been voiced in the Press and even here in this House, that Italy is in fact the major exporter of wine to its partners in the EEC with 10 980 359 hectolitres for the marketing year 1977/1978, while France is in second place with only 4 93 480 hectolitres. But it should be emphasized that France is the major importer of wine from its partners in the Community with 6 275 589 hectolitres for the marketing year 1977/1978 and of this 6 268 554 hectolitres come from Italy. The French wine-growing sector should not therefore be so readily criticized, since it accepts the rules and plays the game of Community preference in exemplary fashion.

Three measures would help to bring trade within the Community back to normal and at this point I address my remarks to the Commission: since everyone here would seem to be in agreement with a policy of quality wine, why not forbid the movement of wines with an alcoholic strength of less than 10° between the member countries of the Community? This measure would obviously be designed to encourage a policy of high quality. Further, the Community should institute a department for land registry and for the suppression of fraud on the same pattern as the one we have in our country. Finally, and now I come to the most serious question, a quota should be fixed for imports of Italian wines into France of not more than 5 million hectolitres per year. Why? This is where we really get to the

heart of the matter, to the substance of this debate. You see, the right of free movement within the Common Market has as its limit the right of each country to prevent the income of its producers, be they stock farmers, farmers or winegrowers, from being destroyed. And the specific problem which we are faced with today for wine, will arise in every large sector of production, for a fundamental reason which has not been sufficiently stressed: at the time when the rules for the agricultural common market were drawn up, surpluses were infrequent, whereas today they apply to all the major sectors of production!

Finally, it is clear, and this has been said by others before me, that we must encourage a certain number of countries in the Community, in particular the United Kingdom, Denmark, Belgium and Holland to abolish excise duties and to import wine from the Community. However, it is not my desire to see them taken before the Court of Justice. We are all members of the same Community, we are all allies, and we are all victims at present of a way of speaking which can be found in the Press, and even in official speeches, concerning the budgetary or regulatory disputes we must settle. Let us stop taking each other to court and use our imagination and our goodwill to seek measures aimed at encouraging the abolition of these excise duties! Finally, — and I would especially like to draw the Commission's attention to this point — rules must be laid down as soon as possible regarding the status of wines originating from the various countries of the Community, in order to include them in the areas defined for quality wines produced in specific regions, because this is a point of ambiguity which must be removed. Measures of this nature would make it possible to settle the difficulties of the French wine sector.

In conclusion I would like to say a few words in reply to my friend David Curry who is present — for which I thank him; while I was listening with great interest to him this morning, I had the feeling that he was about to suggest, with all the imagination and energy for which he is well known, a solution to the problem of the dairy produce surpluses of his country and of Ireland, by replacing dairy production with whisky production... But I personally believe that such a bag of tricks will not solve our problems. It is obvious that if we really want to settle once and for all the problems of wine-growing the solution is for the British to take to drinking the healthiest and most hygienic drink in the world, that is to say French or Italian wine, and for the Danes, the Belgians and the Dutch to do the same, and then there would no longer be any problems in the wine sector!

President. — I call Mr Papapietro.

Mr Papapietro. — (*I*) Mr President, we cannot approve statements which appear to see the solution to a difficult market problem — such as the problem of wine, which has existed for some years and is likely to

Papapietro

recur this year — in terms of reducing either the production or the market, an approach which we consider to be both limited and one-sided.

Mr Maffre-Baugé's question seems to reflect this approach. In fact it restricts the analysis of the wine problem to a comparison between the Italian and French markets, and consequently sees the problem in terms of a trade war, and a substantial re-erection of customs barriers. In other words, it is completely at variance with the general trend of debate in the Community which has gone as far as the Court of Justice.

This problem has existed for years — the previous Parliament dealt with it frequently — and requires analysis in a wider context. Account must be taken of the limited *per capita* consumption in the countries of Northern Europe, the reasons for which should be sought, as Mr De Pasquale said this morning, in the barriers created by excise duties and other forms of taxation, attention should also be paid to the falloff in French consumption and the stagnation in Italy, and the causes of these developments examined, and due consideration should be given to the potential of non-producing countries, where a gradual increase in consumption has been noted, but only in recent years, and even then still slight, consumption remaining in absolute value terms very low.

We reject all action — such as that taken by the Council of Agriculture Ministers in December — aimed at reducing the production potential of the Community by cutting down the area under vines, i.e. by reducing supply, which is uneconomic and absurd, and we oppose other ineffective cutback measures. We do so because we believe that the aim should be to increase consumption. We consider in general that wine is a product of popular consumption and not a luxury product, one which employs millions of wine-growers and industrial workers. We are also firmly opposed to any suggestion that the wine market should be used as a pretext for blocking the accession of Greece, Spain and Portugal to the Community. It is precisely because the enlargement poses serious problems for us that we cannot take refuge in restrictive measures. We must instead put forward — as we did for example yesterday in the debate on agricultural structures — a new framework for agricultural policy, which will permit adaptation and change in the market, as well as a more flexible and controlled relationship between production and consumption, and the creation of a new relationship with the world market. The agro-foodstuffs market should be seen as a whole. Italian wines, for instance, are used in the French food processing industry and French dairy products and meat are sold on the Italian market.

If, however, we consider the agro-foodstuffs market as a whole, we see that Italy has a marked deficit with regard to France. And this is why we must consider the overall problem; in this way we shall avoid a partial and restrictive application of the Community principle of free movement, and establish a common front

which will allow us to defend Community interests effectively.

We do not agree that there is a structural problem in this sector, since the surpluses are not structural, but cyclical. There was a boom in production in 1974/1975, then things returned to normal. This year we are again faced with a sudden rise in wine production. If the political and commercial links between Italy and France are obliged to follow these cyclical fluctuations, or if decisions alluring valuable production structures are taken on the basis of these cyclical factors, the balancing function of the Community will be greatly affected.

We therefore believe that what is needed is the elimination of the indirect taxation which exists in some Member States, the effective stimulation of consumption by appropriate measures, an increase in exports to non-Community countries, and measures for conversion to new production.

The question before the House raises grave allegations about deflection of trade, fraudulent practices, and imports into France of Italian wine which does not meet the quality requirements. In fact, these wine imports are so small that their quality is above suspicion. It cannot be shown that wines with an alcoholic strength of less than 9.5 % are exported to France. As for the possibility of fraud, we can only call for a more stringent supervision by the Community institutions dealing with this question.

For all these reasons, we believe that the solutions to the problem proposed by the authors of this question are not acceptable because the problems of wine production, the wine market, quality improvement, prevention measures (which should be discussed as soon as possible) and of the repercussions which the enlargement of the Community will have on this sector, can be solved in a united and rational way, by enlarging the market and improving the quality of production.

President. — I call Mr Sutra to speak on behalf of the Socialist Group.

Mr Sutra. — (F) Mr President, ladies and gentlemen, I am not displeased at having been prevented through lack of time from finishing my presentation of an oral question this morning, since I can now, speaking on behalf of my Group, engage in a dialogue which is more constructive than monologues which express conflicting opinions and are sometimes at cross purposes.

Mr Davignon told us this morning that the Court was looking into the problem of excessive excise duties on wine in Northern Europe. I gained the impression that beer in Europe is covered by a system of 'deficiency

Sutra

payments', which means that in practice beer is subsidized, whereas its rival, wine, is greatly handicapped.

This situation has altered a little during the last few years, but for a long time, this was the basis for all transactions. I should like to know exactly what point we have reached, and in particular if the Court will soon deliver its verdict, and if it would be possible to speed things up a little, given that the Court is sometimes quick to deal with certain matters.

I think that today's discussion has been constructive, at least as far as quantities are concerned. I gained the impression that on the matter of surpluses, everyone was talking more or less the same language and that we now understand each other.

This means that I can now go on to deal with the second point and a fundamental one, that of quality. You said this morning, Commissioner, that imports from third countries in particular could not be compared to varieties destined for destruction, because they were wines of different qualities. You declared yourself in favour of maintaining and supporting wine growing in regions naturally suited to it and on the other hand you are for a decrease in production in regions which are less suited.

On this subject, I should like to quote the Commission's report of 31 July 1978 (volume 2): 'Approximately two thirds of Community vineyards are situated in hilly areas. In general, a long term reduction can be seen in the areas planted in hilly regions and an increase in the plain'. The Commission goes on to say: 'In Italy, this tendency is especially marked. We may observe there in some cases a movement of vineyards from provinces of predominantly hilly land to provinces of predominantly flat land'. I would like to add that if the Commission quotes Italy, I can speak about my region, Languedoc: a decrease in vineyards in hilly areas and an increase in the plains.

So it is that we hear speeches about quality and the result, the Commission itself admits it — is completely the opposite. Thus, I should like us to deal with the problem of quality and I must say that I do not agree with the explanations I have heard.

I also used budgetary terms this morning, in particular the term 'multiannual budget' for wine. I feel that since the Community budget is annual this term is not an exact one; on the hand Mr Curry's remarks have clarified my ideas on this point.

I think that it should be possible, within the framework of the performance guarantee, to authorize the Commission to carry over appropriations from years of low cost to years of rich harvests. But then, you might well ask why not simply let the performance guarantee function automatically as it does at the moment? If we are heading for an average figure for cost, as Mr Curry proposed this morning giving a figure for

this, then let us give the Commission the authority to carry over appropriations from one year to the next!

The last point I would like to speak on this afternoon concerns the enlargement of the Community. If we did not vote in the same way as the Italian Communist Party on the subject of the accession of Greece, this is because we are more demanding in France. The French Socialists considered that none of the conditions for entry which we advanced had been fulfilled, and we voted against the motion. On the other hand, the French Socialist Party has always shared the views which my colleague De Pasquale voiced this morning: we must not take refuge in selfishness, but, since enlargement of the Community is very difficult to achieve, it will require a great deal of thought if it is to be successful and in order to be of benefit to the workers both of the member countries and of the countries applying for membership, and, I might add, to those of third countries too. But we were much more rigid in our position as regards political pacts too, since the Socialist Group unanimously rejected this notion in the French National Assembly. Commissioner, I would request that the debate on quality be continued. I must emphasize that the planned grubbing up should take place on the plains, but in fact grubbing up of vines is taking place in hilly areas, which means death for whole villages in regions where there are just no possible agricultural alternatives.

So, this is a policy which has an effect which is completely the opposite of what we are told. I therefore request that a debate be organized on the question of quality.

President. — I call Mr Fernandez.

Mr Fernandez. — (*F*) Mr President, I would like to bring up a problem which has been discussed only briefly, if at all. This is the question of registered designations for wine, in particular with regard to the Commission's decision of 1971.

This decision is mainly aimed at replacing French designations by a designation which seems, to say the least, to be a 'hotchpotch': QWPSR, which means 'quality wine produced in specific regions', a designation which corresponds to the criteria for enlargement.

Although it is true that a certain number of conditions must be met in order to qualify for a designation — and this is nothing new, it already exists in France — (for example the criteria concerning methods of planting, vine varieties, harvesting periods, methods of pruning etc.), this decision of the Commission made it compulsory for wine to be tasted for it to be approved.

Since then, this criterion, already in application in the Bordeaux region and for Alsatian wine, has gradually been implemented and this year it was decided to ex-

Fernandez

tend to the Beaujolais wine-producing area and to the Côtes du Rhône wines. However, these decisions by the Commission, which are mandatory, offer no guarantees to the AOC or the VDQS wines.

While the *grands crus* of France can hold their own on the market as a result of their worldwide reputation, this is not so for the VDQS, which are nonetheless quality wines, but which do not always manage to find the right market balance and this is especially the case this year in France. For, although Regulation 816 concerning table wines and regional wines, contains a system for market support the Regulation 817 concerning QWPSR does not have any such system and this is a grave defect, a defect which must be rectified.

At the moment, before wine can be marketed, in addition to what might be called a 'scientific' analysis, there must be a wine tasting which alone can confer approval on the wine. Without this approval, the wine-grower cannot sell his wine. This leads to some intolerable situations.

I would like to make some remarks on this Commission Decision. The first point is that in France there are people sufficiently qualified to analyze, test and guarantee the quality of good wine. France is, after all, a wine-growing country, and a country which grows good wine. Besides, we did not wait for this Commission decision to make the great wines for which France is famed throughout the world.

I will quote a specific example of the Commission decision being applied in a wine-producing village which I have just visited: Villiers-Morgon, in the Beaujolais area - and Beaujolais is drunk daily in the restaurant here in Parliament! Of the 300 samples presented to the Tasting Committee, 80 were rejected, an enormously high percentage. Amongst these rejected wines, I can give you some examples which show just how subjective are the qualifications of such an organization, or rather just what disqualifies this organization. I do not wish to dispute the wine tasting ability of the people concerned, but I call the results themselves as my witness: one wine was disputed because it had a taste of cement, even though it had never been stored in anything but wooden barrels. Another — and I don't want to make the list too long — was rejected although it had been produced by a tenant wine-grower, that is, the owner of the vineyard and the tenant had the same wine. Well, of two samples coming from the same vats, one was approved and the other rejected.

This is a good illustration of just how little qualified such a committee is. If we wished to joke about this, we might say that the wine tasting qualifications and ability of each person are to some extent psychological: if the weather is fine, if everything is going well, wine is generally thought to be good. On the other hand, if everything is going badly and if the weather is dull, well, the wine may be thought bad.

But, joking apart, I think that there are more serious aspects to this. Is this not a means of making space, by constantly reducing quantities: in 1977 there were 70 hectolitres for 1 hectare in the Beaujolais area, and in 1978, 65 hectolitres. The figure has now been cut back to 60 hectolitres to the hectare for the production year 1979. Is this not, together with the rejections, a splendid way of making space on the French market for Italian, Greek or even Spanish wines?

This decision of the Commission is absolutely in keeping with this intention, which is shared by the French Government of ruining our agriculture, in this case our viticulture, in order to facilitate large-scale production and swell the profits of the large cartels which dominate the food industry and trade in agricultural produce. I am not surprised to see that Mr Davignon, who is known at home as 'Davignon the breaker is the Commission's man in this matter.

(Applause)

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — *(F)* Mr President, I am forced to admit that I was waiting for the last sentence from our friends who represent the French Communist Party, and indeed they left it right to the end. I was beginning to think that they had changed their views, but I am glad to see that they remain true to their 'objective' obstinacy, that is to say to the language they use, which takes no account of facts.

I would now like to address myself in a more serious vein to Mr Sutra on the subject of the document he quoted. He said that the programme decided upon by the Council in December to deal with the developments in the situation have not worked, and that he had noted developments in the vineyards on the planes or in hilly areas. For this reason, and in accordance with the aims which I pointed out this morning, the Commission proposed a programme which was adopted last December. You cannot say that this programme which has not yet really been applied in practice, has had an adverse effect. On the one hand, there is the overall view of the situation and on the other measures which we recommend in order to correct it. I would like this to be clear.

For the rest, I would like to say to the last speaker on the subject of category classification, that tasting is carried out at the request of the interested party and may be replaced by other methods.

President. — I call Mr Maffre-Baugé on a point of order.

Mr Maffre-Baugé. — (F) Mr President, I would respectfully like to point out to Mr Davignon that I, who am not a Communist but allied to the Communist Group, do not accept his remark about Communist jargon. This is an attack on our parliamentary prerogatives, and I would ask Mr Davignon, if I have misunderstood him, to please make his point clear to me. I spoke — as Mr Davignon is well aware — solely on the subject of the economy of the wine sector. I asked questions which you promised to answer, and I consider that it is a breach of our Rules of Procedure to say that we use jargon. There is no jargon: there are only the interests of my country, which I have defended here straightforwardly and unemotionally.

I would ask you, Mr President, to please consider this as a defence of our parliamentary prerogatives.

President. — Mr Maffre-Baugé, I think that instead of speaking on a point of order, you have made a personal statement.

I call Mr Fernandez to make a personal statement.

Mr Fernandez. — (F) Mr Davignon stated that the basis of my speech was false, since he asserts that approval is requested by the interested party. Well, this is what the Commission requires! If there has been a misunderstanding, I would ask Mr Davignon to make things clear, because this is in fact a new measure, implemented on the basis of instructions from the Commission.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, first of all I would like to reassure Mr Maffre-Baugé: I have too much respect for Parliament and its Members to express myself in an inappropriate manner. I did not use the word 'jargon'. I merely replied to a personal remark made about me and mentioned that it was in keeping with speeches of certain French Members whenever I speak, and whatever the subject in question may be. I did not use the word 'I would not have made such an error, and I would like to thank Mr Maffre-Baugé for the correctness of his speech this morning. I have, incidentally, already signed the letter giving the answers to his technical questions.

To the last speaker, I will say that, as we speak the same language even though I am Belgian, there can be no misunderstanding due to interpretation.

I pointed out, not that approval was not required, but that the method of granting approval was not restricted only to tasting.

Mr Fernandez. — (F) That is not what you said in your speech!

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr Fernandez, you stated, giving examples, that the wine tasting carried out in Brussels was not correct, as if this was the only method used to obtain approval. This is all I wanted to clarify, without using the word 'incorrect'. I noted that there had been an omission and I rectified it.

President. — I have received two motions for resolutions with request for an early vote, pursuant to Rule 47(5) of the Rule of Procedure, to wind up the debate on the oral question to the Commission on the situation in the wine-growing sector:

- motion for a resolution (Doc. 1-772/79) by Mr Buchou and Mr Davern on behalf of the Group of European Progressive Democrats;
- motion for a resolution (Doc. 1-788/79) by Mr Sutra and Mr Gatto on behalf of the Socialist Group.

I shall consult Parliament on these two requests for an early vote at the beginning of tomorrow's sitting.

The debate is closed.

The motion for a resolution contained in the Buchou report will be put to the vote at the next voting time.

11. Regulation on basic products

President. — The next item is the report (Doc. 1-731/79), drawn up by Mr Buchou on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-274/79) for a regulation fixing the quantities of basic products considered to have been used in the manufacture of goods covered by Regulation (EEC) No . . .

I call Mr Buchou.

Mr Buchou, rapporteur. — (F) Mr President, ladies and gentlemen, this is a highly technical report, which I was asked to draw up by the Committee on Agriculture. It relates to Regulation No 1060/69, a very bulky document which lays down the quantities of basic farm products considered to have been used in the manufacture of certain goods not covered by Annex 2 of the EEC Treaty. I would recommend Members to read it; it is most interesting, albeit rather dry.

Buchou

The Commission has felt it necessary to republish this regulation and at the same time to incorporate certain amendments prompted by observation of the markets in the various products concerned.

The Commission has noted that the Community market in dried eggs totals 6 000 tonnes and that over 1 000 tonnes enter the Community free of charge and are not covered by the variable component. The variable component should be regarded as a variable customs duty reflecting the difference between the world price and the Community price of these products. The 6 000 tonne market in dried eggs has therefore been disrupted by these 1 000 tonnes of imports. The Commission proposes to make these imports subject to the variable component.

With regard to milk powder, the Commission has discovered the existence of a carousel between Germany, Austria and Italy — I like the use of the word 'carousel' here — which was disrupting the Italian market in milk powder. An amendment has been made to eliminate this carousel, or at least, if it is maintained, to ensure that it is in line with Community rules.

In some Member States the biscuit industry has been penalized because the variable component for butter was applied on the basis of a flat-rate figure. This figure was not adjusted very accurately to certain situations, especially in Britain. The British biscuit industry felt at an unfair disadvantage, and the Commission has tabled amendments to normalize the situation.

It has also provided for certain improvements with regard to durum wheat used in the manufacture of pasta products, since certain pasta products are imported from the Far East and lead to unfair competition in certain products such as ravioli. Here too, the Commission has proposed certain adjustments.

A matter which has been of some concern to the Committee on Agriculture is that the Commission was proposing certain amendments to the way in which the net weight of tinned sweet corn is calculated for the purposes of applying the variable component. Certain countries, like the United States, Canada and Israel, who export tinned maize and sweet corn to the Community, requested that maize should no longer account for more than 50 % of the weight of the tin, since the remainder, they maintain, is water.

We do not fully agree with the Commission's proposals on this matter, because a whole range of problems are involved. Firstly, maize consumption is increasing rapidly in Europe (by over 15 % a year) and maize production is also rocketing. The United States, Canada and Israel, the main suppliers, want to maintain their virtual monopoly in this market. Sweet corn production in Europe is becoming established in the Po valley and in south-west France. It could also conceivably become established elsewhere, which is obviously why these exporting countries are anxious to

do all they can to combat the development of European production.

The Committee on Agriculture considers the Commission proposals premature, since a similar proposal may be made at a later date, when the market situation has improved or when European production is better able to cope with the demand. For the time being they are felt to be premature and the Committee hopes that the decision on this matter will be postponed.

Those, Mr President, are my comments on this highly technical issue; but it is technical and seemingly unimportant issues like this which shape our day-to-day policies in our relations with third countries.

President. — I call Mr Enright.

Mr Enright. — Mr President, I would like to speak briefly in favour of Amendments Nos 1 and 2 tabled by Mrs Castle.

First of all Mrs Castle has asked me to apologize for her absence here today — she has to be in London. The amendments are simple and commonsense. Mr Buchou has just said that the report made very dry reading. In the case of soft maize it makes very wet reading indeed, because essentially what he is suggesting is that we should continue to tax water. I think I have heard few more ludicrous suggestions in this Parliament than that that we should continue to tax water, whether it comes from the United States or France or anywhere else. These amendments by Mrs Castle would therefore support the eminently sensible proposals made by the commission. I think I would stress on top of that that although Mr Buchou has said that the Commission was being premature in its proposals, it seems to me that these proposals are long overdue.

Indeed consumer groups throughout Europe and representing the whole of the Europe of the Nine have effectively been urging for a very long time that we do, in fact, look at the net weight and that it is the net weight that appears on the outside of cans. So can there be anything more ludicrous than taxing water? These are two very simple amendments backing up the good commonsense of the Commission — I do not always praise it — and I urge this House to accept those amendments.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, this demonstrates my eclecticism and common sense. I would like to thank Mr Buchou for his report on a highly technical and very important matter, since we are dealing with processed agricultural products, a key sector of industry and agriculture.

Davignon

I would like briefly to make two comments. The first concerns the wishes of the Committee on Agriculture concerning our proposal on maize. I can assure Mr Buchou that the proposal is not based on flat-rate quantities. We are not working on the assumption that in each tin of maize there is only a certain percentage of maize and that the rest is water. We are proposing, on the contrary, to determine the real quantity of maize and to base the levy on the total real quantity. We are not saying that tins from, say, the United States contain 50 % maize and 50 % water. The levy is therefore to be applied exclusively to the amount of the product actually in the tin. We cannot impose a levy on a product which does not exist. We would not do this with the raw materials we import, so we cannot do it with processed goods, and for sound reasons — we want to ensure the same conditions for competitors.

The Commission very much hopes that the proposal will not be accepted as it stands. If it were, the Commission would have the greatest difficulty in applying the suggestion of the Committee on Agriculture, for the reasons I have given. We agree that everyone should be treated the same, but we cannot allow processed goods to receive less favourable treatment than raw materials. This is essential for the transparency and correctness of our foreign policy, and there is no weakness involved.

The report raises a second point, concerning the reference to the Treaty article on which the regulation is based. Perhaps the rapporteur could reconsider this question, since it is far more wide-ranging. The procedure which the Commission always adopts, in agreement with the various legal departments of the Commission and the Council, and with no objection from Parliament, is that when a regulation is based on another regulation, it relates only to that regulation and does not need to go through all the stages of legal justification. We are prepared to review this matter on a more general basis, if this is necessary, but we feel it would be dangerous to change the accepted practice for an isolated case, since we do not regard this as advisable or worthwhile. That was the second point to which I wanted to draw the rapporteur's attention.

President. — I call Mr Buchou.

Mr Buchou, rapporteur. — (F) Mr President, I shall try to deal with this technical point briefly and without boring the House.

The Commissioner has told us that tinned maize — a problem I am very much aware of, since the future of certain regions is at stake — is a product which does not exist. This is a fact, and a tiresome one: certain aspects of this problem may appear rather dramatic, but the product does not exist. But is this any reason to change what has existed hitherto? Oddly, we were sat-

isfied with what we had up till now, but suddenly this is no longer the case now that Community measures are being taken. Why does it not exist? The product cannot be maize, because when it is harvested it is a vegetable with 72 % water. If the water level is reduced to 15 % in accordance with international legal requirements, the remaining product is no longer maize, but a dry, worthless substance.

It is, in fact, a vegetable containing 72 % of water when harvested. In a tin containing 400 gr, you can normally expect 50 gr of added water and 360 to 370 gr of drained consumable products. This is what ought to be considered, Mr Davignon, and I do not think that anything else can be considered. If there is 50 % of water, this is the natural water which the product contained when harvested, and it has not been added afterwards. If 50 % of water is added, the Commission should put a stop to this fraudulent practice. If the variable component must be applied, it should be applied to the drained product. Then we shall agree and there will be no problem.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, I shall be very brief. It would be wrong to assume that we are proposing that the levy should not be imposed on the 360 gr which you mentioned. We are concerned only with the 50 gr of added water, and not the water which the vegetable contains.

That is the proposal which the Commission feels it necessary to make, for the reasons I have given. There is therefore no misunderstanding between the Commission and the rapporteur.

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

12. Regulation on the market in fruit and vegetables

President. — The next item is the report (Doc. 1-720/79), drawn up by Mr Ligios on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-573/79) for a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables.

I call Mr Ligios.

Mr Ligios, rapporteur. — (I) Mr President, Mr Buchou said that his report was extremely technical.

Ligios

For my part, I must say that the report which I have now to present on behalf of the Committee on Agriculture is equally technical, equally interesting, and that its importance should therefore not be underestimated. In this case proposals were made by the Commission, at the request of the Council, for certain amendments to the 1972 regulation on the common organization of the market in fruit and vegetables.

I think a few introductory remarks of a general nature would make it easier for all Members to understand this subject, which is particularly technical.

We know that most agricultural products are regulated by specific measures — the so-called common organization of the market for each product. Nevertheless, there is a basic distinction to be made. Some products enjoy a type of guarantee which is more or less total — for example dairy products, sugar, cereals, beef and veal, and some others. On the other hand, there are products such as fruit and vegetables — mainly from the Mediterranean areas of the Community, which are the most depressed areas — which enjoy a considerably lower degree of protection, in the form of the so-called 'reference price at the frontier'. What does this term mean? It means that fruit and vegetables cannot be allowed into the Community's internal market at prices lower than what we might call the market price, fixed earlier and known as the 'reference price'. If the price is lower, a mechanism known as the 'countervailing charge' comes into operation, but under the present regulation this charge is withdrawn when the entry price for fruit and vegetables has been at least equal to the reference price for two consecutive days.

This mechanism does not provide anything like adequate protection. It is a very complicated mechanism which leads to confusion, is difficult to apply and is in many cases self-defeating.

The Commission is proposing some improvement in this mechanism, but by no means enough.

In short, the proposals cover four points. Hitherto it was the producers' associations which determined the quantities which each member could market directly without going through the association. This gave rise to considerable problems and discrepancies. Now the Commission is itself assuming the right to issue different regulations on the basis of a 'management committee' type of procedure. In my view this is a step forward — and we must congratulate the Commission on this — because it makes it possible to strengthen the market by increasing the concentration of supply in relation to demand for a particular fruit or vegetable product.

A second point is the proposal to extend the list of charitable organizations to which a Member State may distribute free of charge fruit and vegetable products

which have been withdrawn from the market because they are in surplus.

Whereas, before, it was only a very limited number of organizations or institutions which could benefit from this provision, the Commission is by this amendment enabling the Member State itself to draw up the list of organizations, including children's holiday camps — previously excluded — prisons and any other organization which could consume these surplus products, provided, of course, that these products are in addition to, and do not replace, the products normally bought. This measure is very welcome, because I think one of the factors which has been most detrimental to the image of the common agricultural policy and of the Community itself in the eyes of the European public has been the destruction of large quantities of produce, and especially of fruit and vegetables, when we all know how much demand there is for these products.

Finally, there is another point to be stressed — the inclusion of aubergines and courgettes in the list of products covered by quality standards. This, too, is in my view a step forward, for it should lead to an improvement in quality.

Mr President, these amendments proposed by the Commission at the Council's request, although they concern technical aspects, are very welcome and should be approved, as the Committee on Agriculture has already done, even if in the view of that committee this is only a small step towards the creation of a better mechanism which would provide guarantees for Mediterranean products, particularly fruit and vegetables — guarantees which, although not total like those which some products of the richer areas of Europe enjoy, would nonetheless be adequate.

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

Mr C. Jackson — Mr President, I would like to thank Mr. Ligios for his report. I join him in welcoming the modest but useful proposals for change in the common organization of the market for fruit and vegetables.

One cannot, however, give praise to the Commission as one would wish, because the common organization of the market for fruit is in a deplorable condition. Mr Ligios referred to 'the so-called common market'. He was right, and I would like to give Members an example of this. In October I asked the Commission, through a written question, to publish details of all national, as opposed to Community, aids supplied to apple industries. I can't believe that their reply, which incidentally took three months to come, referred solely to apples, but it was as follows: 'At present the Commission has no plans to publish the inventory of

Jackson

national aids, mainly on account of its size: 18 000 pages for the six language versions'. I repeat that, 18 000 pages of national aids. What they are really saying is that this is a pile 1 1/2 metres high of national aids. And in one language alone the national aids are twice as long as the Bible! We may sometimes criticize the Commission for too many regulations, but I am now criticizing them for letting go the reins and permitting too many *national* regulations.

Indeed, faced with this evidence it cannot be an exaggeration to say that they have lost control of the common organization of the market. Apple farmers have suffered severely from this, and my group has recently been studying the problem. For example a flood of Golden Delicious imports has been wrecking the livelihood of apple farmers in Britain, and especially in Kent. Now Article 92 of the Treaty states that measures which distort competition are incompatible with the common market; and examination of the situation shows that the very organization of the market, and the present application of the regulations, is responsible for what can only be described as unfair and distorted competition.

This is not one country getting at another. The main blame for this atrocious state of affairs lies fairly and squarely with the Commission, for two reasons. First, because they have permitted the development of a veritable mountain of national aids to which I have referred, ranging from large interest-rate subsidies in one country to capital grants in another. Second, because such regulation as there is, and I here refer particularly to intervention coefficients, gives unfair advantage to southern varieties of apples as opposed to varieties grown in parts of Germany, Holland and Britain. In the case of Italy and France there is, in addition, great anxiety concerning too high quotas for imports, following a huge European crop.

Therefore, Mr President, while I hope the limited proposals in front of us will gain the support of Parliament, I want the Commission to take back to Brussels a clear understanding of our profound concern about the damage being caused by the lack of a true and fair common market in apples. We want a fair market. We cannot tolerate our farmers being forced out of business by an unfair, uncommon market. This is an exceedingly urgent matter and we shall expect the Commission to produce proposals to improve the situation, proposals that above all can be applied before the next crop year.

President. — I call Mr Patterson.

Mr Patterson. — Mr President, like my colleague I welcome Mr Ligios's report. I also welcome some of the proposals the Commission has put forward, for example, the increase in the list of beneficiaries of 'social

fruit'. This is quite a useful change and one we could make a great deal more use of in the United Kingdom than we are doing at the moment. I also echo what Mr Ligios has said in his report about the image of the entire Community being ruined by what is called the controversy over the destruction of surplus fruit at the expense of the Community. I think controversy is a very mild word — extreme anger would be better. What is more, the anger is all the greater because this is happening not just at the expense of the Community, but also at the expense of the growers of fruit themselves. However, I think it is an illusion, as my colleague, Mr Jackson, has pointed out, to believe that this is caused purely by imports from third countries, and Mr Ligios had a motion for urgency this morning on this very matter.

The whole matter of French exports to the United Kingdom, which my colleague has mentioned, is one which the Commission must be well aware of, and this morning my colleague, Mr Curry, mentioned the assassination of the British apple industry. I am sorry that Mr Buchou is not here, because he then got up and said: 'We take care of our farmers in France'. Well, that may well be so, and therefore Mr Buchou will be able to understand — and I hope this message is passed on — why so many of my constituents in Kent say, 'If they won't take our lamb, we won't take their apples'. That is something which I think he ought to take on board, and so should the French Government. Now, I am not anti-French, and I am not against French apples; in fact, I had one for lunch. I am bound to say, however, that the quality of the one I had for lunch was a great deal lower than the quality of the apples I buy at market in the United Kingdom, and this may be extremely significant. It leads me to the questions about the organization of the apple market which Mr Jackson mentioned.

To begin with, intervention has already been mentioned. Does it not unfairly penalize the high quality northern apples? But the matter of the Golden Delicious apple I ate for lunch is even more important. Is the withdrawal from the market of apples in grade 2 and below actually working? What evidence has the Commission that its inspectorate system is working properly? Evidence is being produced to members of my group that on the French market alone there are numbers of apples on sale below grade 2. If they were withdrawn from the market, there would be no exportable surplus of Golden Delicious apples for the French to send to the United Kingdom. I hope in this context that the arrangements for marketing contained in the Commission's proposals will not make the matter worse.

Then there is the question of state aid, which was also mentioned by Mr Jackson. People in my constituency are getting extremely angry at seeing television programmes advertising Golden Delicious apples, which they strongly suspect are being paid for by the French taxpayer. The administrative costs of the French mar-

Patterson

keting organization SOPEXA are borne by the taxpayers' money, and I believe something of the order of £ 200 000 is being spent on this programme. Now, lest Mr Buchou, who is still not here, thinks I am attacking the French, I may say that the British Government and the British growers are not entirely without blame. Thirty per cent of United Kingdom orchards are 25 years old or more, compared with 10 % of French orchards, and the 1978 financial report on the Guidance Section of the EAGGF says that the United Kingdom applied for no grants whatsoever in that year and therefore did not benefit from the kind of aid the Community makes available for the improvement of orchards.

This is not an attack on France, therefore but I may say that unless the Commission gets down to the business of reforming the common market in apples and removing the discrimination which we believe is practised against United Kingdom growers it will only serve to bring the Community into even more discredit in the United Kingdom. It is not merely confidence in the system of the common market in fruit but the whole European idea that is at stake.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, I am ready to admit that the inadequacies mentioned by the rapporteur, Mr Ligios, and by the other speakers, are indeed a feature of the present organization of the market in fruit and vegetables, and particularly the system of reference prices. I shall draw the attention of my colleague Mr Gundelach, and of the Commission as a whole, particularly to the apple problem which has just been especially stressed. However, without claiming that this regulation entirely solves the problems, I think that, as Mr Ligios said, it is a step towards the solution of some of the more pressing and difficult of them. I wish to thank the rapporteur and the entire Committee on Agriculture for the appreciation they have expressed of this Commission proposal, and I hope that Parliament will entirely share the opinion of the rapporteur of the Committee on Agriculture.

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

13. Regulations on liqueur wines

President. — The next item is the report (Doc. 1-827/79), drawn up by Mr Sutra on behalf of the Committee on Agriculture, on the

proposals from the Commission to the Council (Doc. 1-259/79) for:

- I a regulation on liqueur wines produced in the Community
- II a regulation amending Regulation (EEC) No 338/79 as regards quality liqueur wines produced in specific regions.

I call Mr Sutra.

Mr Sutra, rapporteur. — (F) Mr President, ladies and gentlemen, this extremely technical report has been the subject of numerous discussions by the Committee on Agriculture. I should first point out that its purpose is to establish — at last — the Community regulation on liqueur wines.

Broadly speaking, then, this report fills a gap in the Community's regulations on wine, since these do not mention liqueur wines. The report deals with two regulations — one concerning liqueur wines and the other concerning quality liqueur wines produced in specified regions.

I do not intend to repeat before this House the presentation of the report which I made to the Committee on Agriculture. I would merely like to say, as a farmer and member of the Committee on Agriculture — and here I am speaking on behalf of that Committee, which adopted the report —, that I was always anxious to ensure that wine producers, especially those who produce high quality wines in very small quantities and under extremely trying conditions, were defended and that their products were covered by a regulation which distinguished them very clearly from wines produced on an industrial scale.

I think we should be quite clear on this point, as it is one which we were concerned about. My wish to defend the wine producers was shared by all my colleagues on the Committee on Agriculture. Speaking in both a personal capacity and on behalf of the Committee, I feel that the report which we have drafted should satisfy the producers of liqueur wines and of quality liqueur wines produced in specific regions of the Community. I note that there are several amendments and that some which were tabled before the Committee on Agriculture are again being tabled here. Since their originators are now present, I think I can answer them.

I would first point out to Mr Ligios that his amendment No 1 seems to me to have already been dealt with in paragraph 4 of my motion for a resolution, the final words of which read as follows: 'Recalls the urgent need for Community harmonization of the taxes and excise duties on alcoholic beverages'. I think that paragraph 4 should be completely satisfactory to Mr Ligios. Moreover, I think that although what Mr Ligios says in his amendment is not incorrect, it would

Sutra

be more appropriate for it to be the subject of a separate motion. Also, since the Court of Justice is now dealing with this matter and has not yet delivered its verdict, we would be well advised to maintain the separate powers of the institutions so that the Court can make its judgement without interference from Parliament.

Mr Ligios has also tabled an amendment to Article 8 which virtually consists of a complete rewriting of the text. I have to reject it since it would practically negate the entire purpose of the regulation.

I would now like to say to Mr Curry that I have accepted his amendment concerning certain Community wines, in particular sherry and Marsala wines, which are also produced in southern Italy and Sicily.

His amendment No 3, however, relates only to wines which do not exist in the present Community of Nine. I feel that this amendment is premature and that it will have to be tabled when the negotiations on the Treaty of Accession get under way with Spain.

With regard to Mr Curry's amendment No 4, I shall repeat what I said in Committee, namely that the letters V.L.Q.P.R.E.D. denote liqueur wines from specific regions. If we say that we can add the grape musts of neighbouring regions to these, the concept of specific regions becomes meaningless: Burgundy does not include Beaujolais, which is produced in the adjoining region. Burgundy is Burgundy, and Beaujolais is Beaujolais! The concept of specific regions would be destroyed by Mr Curry's amendment No 4.

Lastly, in his amendment No 5, he has put forward a text which I cannot accept because it would open the doors to 'containers of earthenware, wood or any other suitable material'. What is a suitable material? The wording here is too vague.

The conclusion reached in the report — and I apologise for its exclusively technical bias — is that it is a matter of urgent necessity to draw up a regulation to protect wine and liqueur wine producers, in particular those who produce high quality and vintage wines and who, for those who do not already know, have to contend with rules like those imposed on such wines as the Banyuls, with production at less than 18 hectolitres per hectare, and with rules like those imposed on the Frontignan muscat, etc. These rules are extremely stringent and, like the rules applied to all wines of guaranteed vintage, go much further than this regulation. In fact, in the case of other wines, the regulation permits far higher production levels — up to 40 hectolitres per hectare.

We must, therefore, take account of the extremely strict, self-imposed rules of the associations of vintage wine producers who produce quality liqueur wines in specific regions.

In conclusion, Mr President, this report sets out to protect those wine producers whose wines are of a quality which is second to none. Its purpose is to distinguish clearly between their wines and those produced by the large industrial undertakings.

IN THE CHAIR: POUL MØLLER**Vice-President**

President. — I call Mr Ligios to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

Mr Ligios — (I) Mr President, ladies and gentlemen, I, too, think that the draft regulations which we are now examining must together be judged as welcome measure which can help to introduce a certain amount of order in this important sector — the wine market — with which we have been dealing since this morning.

Pursuant to what the rapporteur, Mr Sutra, said, I would add that the request for this regulation was first put forward sometime ago, and indeed by the Italian delegation, with the aim of introducing some order into a chaotic Community situation which still excludes from the market some liqueur wines which are in fact of special value, either for their organoleptic properties or because of a long-standing tradition. I think it is our duty as Members of Parliament and convinced Europeans to ensure that all liqueur wines from any country of the Community enjoy free movement and the same fiscal treatment.

I agree with everything the rapporteur said except for two points. First and foremost, we must oppose on principle any fiscal discrimination, or else we risk the accusation that our work and behaviour is irresponsible. At present, as the rapporteur acknowledged, the situation varies. In some countries — in this instance France — liqueur wines and natural sweet wines with a high alcohol content, with or without controlled designation of origin — note this point well — imported by Member States of the EEC are subject to a discriminatory tax. In other words, while French liqueur wines pay only the consumption tax, those imports from any other country of the Community are also subject to a production tax. For this reason a case — to which the rapporteur referred — has been brought before the Court of Justice and we are confident that the Court will take a decision as rapidly as possible to eliminate a form of discrimination which has so far persisted, especially now that we are preparing to regulate the matter. I shall not refer to what Mr Sutra said in Paragraph 4 of his report, since that is a different problem — that of the excise duties which discriminate among alcoholic beverages in many countries

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of the Community. For example, it was stated that in the United Kingdom the excise duty on wine is equivalent to 1 350 lire, i.e. five times the duty on beer, which is also an alcoholic product. Here, however, Mr Sutra, we are talking about fiscal discrimination, which is a different matter from the excise duties which exist in other countries.

I acknowledge that the rapporteur has made a considerable effort to be objective. However, he did not take this to its logical conclusion, and rejected the insertion in the motion for a resolution of a paragraph — which could well be formulated differently from my version — which would condemn any fiscal discrimination with regard to liqueur wines in the Community countries. This is the point which divides us, and the reason for my submitting Amendment No 1.

But there is another point which we cannot accept, and which is also the subject of an amendment which I have tabled. It is the text of Article 8 of the draft regulation on quality liqueur wines produced in specified regions. This is a technical aspect, ladies and gentlemen, but I would draw your attention particularly to the drafting of the second part of Article 8. In practice, the phraseology is tailor-made, since this term is used for the so-called natural sweet wines of a single country, France, and thus the Article unfairly penalizes nearly all the Italian liqueur wines and those of the other Community countries, including the quality liqueur wines produced in specified regions — Mr Sutra, I would draw your attention to this — and including precisely those three products which you specifically mentioned: Moscato Passito di Pantelleria, Malvasia di Lipari and Vernaccia di Oristano.

Mr President, ladies and gentlemen, who among you has had the privilege of sampling that Sardinian wine produced from grapes with a sugar content of between 24 % and 28 % — a wine which has reached the limit of fermentation and has an alcohol content of 16° or 18°? Well, on the basis of this regulation this wine would not have the necessary mark or origin. It would be excluded on the grounds of the quantity produced, because the Commission and Mr Sutra propose that the maximum production be 40 hectolitres — i.e. in practice 65 to 70 quintals of grapes — per hectare, even if those grapes have an alcohol content which is very often so high that the fermentation process cannot be completed — as occurs in the area to which I just alluded.

Mr President, those are the remarks which I wished to make. If these two amendments were made to the proposals, they would certainly be acceptable to all, and would indeed be a step forward on the road to the organization of wine market.

(Applause)

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

Mr Curry. — Mr President, I am conscious that I have already spoken on wine once this afternoon and I am now turning my attention to liqueur wines. I think I may, perhaps, be appointed an honorary viticultor at the end of the day, on the grounds of sheer persistence.

May I say straight away that we understand completely the reasons for the measure on which Mr Sutra is the rapporteur. I would like to pay tribute to the open-mindedness with which he has treated the debate, and my proposition in particular. As he says, certain of my propositions have found their way into his report. There is really only one thing which separates us: Mr Sutra says that his job is to write a report about liqueur wines in the Nine. I say that that Nine is going to become, fairly shortly, Twelve; and if that is going to take place, we already have a duty in this Community to try and frame our legislation, which affects the vital interests of some new Member States, in such a way as to accommodate their interests without diluting our own.

It seems to me that history has shown that policies formulated and implemented on the eve of an enlargement of the Community without taking account of the circumstances of a new Member States, store up trouble and conflict and can do great damage. In this case I am talking in particular about sherry and port. Sherry is, as you know, one of the principal products of Spain and the largest liqueur wine in the forthcoming Community of Twelve. I am seeking to amend these regulations to take account of manufacturing practices, particularly of sherry. I believe that Parliament has a special duty to look over the horizon, as it were, and to try and guide the Community constructively; and that this is a good way of going about it, in what might seem to be only a small aspect, but is nonetheless a very important one.

I have three amendments, Mr President. The first thing I wish to do is try and accommodate within the framework of the regulation certain high-quality dry sheries with traditional alcoholic strengths of less than 18°. After all, a light, dry, fino sherry of 15-16° of alcohol is perhaps the classic epitome of the fine quality sherry. Secondly, I wish to permit the traditional practice in Spain of the addition of concentrated must as a 'liqueur d'expédition', as a sort of parting shot to the bottle, made from a different variety of grape traditionally grown in an adjacent region specifically for this purpose.

Finally, I wish to permit the marketing of sherry in the sorts of containers in which it is marketed in the United Kingdom and Holland, which are the two biggest per capita consumers of sherry in the Community, incorporating collapsible plastic in some cases, in pubs and restaurants. I cannot think that it would help the great nobility of the liqueur wine if we were to approve a measure which, in fact, diminished its consumption.

Curry

Now if these amendments are rejected it is quite clear that they will have to be renegotiated in the course of the negotiations on Spanish accession to the common market, and that this regulation will have to be changed as a consequence. There is no doubt about that whatsoever. It makes much more sense, Mr President, if we can do it now and avoid all the fuss, aggression and difficulty which will inevitably come later. That is my point.

President. — I call Mr Dalsass.

Mr Dalsass. — (D) Mr President, ladies and gentlemen, there are two points at issue here — firstly, the Council Regulation on liqueur wines produced in the Community and secondly, the regulation amending Regulation No 338/79 as regards quality liqueur wines produced in specified regions. A number of points have already been made by previous speakers, particularly by Mr Ligios. Nevertheless, there are a few points I should like to add. I am, of course, also pleased to see these two proposals on the agenda at last, mainly because they will serve to bring some order to this field, which largely concerns two countries, to wit Italy and France. I shall restrict my remarks very largely to these two old-established members of the Community and not follow the previous speaker's example by putting out feelers to other countries which may become Members of the Community in the near or rather more distant future. I do not think we should look beyond those countries which are currently Member States of the Community. There has always been felt to be a need for Community legislation to — shall we say — get a tighter grip on this matter, particularly when you think that, in the absence of any such legislation, a number of wines — particularly Italian wines — are currently excluded.

Let me stress that we can only welcome any attempt to bring some order to this field at last. Unfortunately, these regulations will not be uniformly applicable to all.

You might be forgiven for thinking that the Commission would have an interest in bringing order to the sector of liqueur wines or liqueur wines from specified regions in the interests of both producers and consumers. By the way, when I refer to producers, what I have in mind are producers in all the Member States of the Community, in Italy and France. I would stress this point, although I myself come from a region where a lot of wine is produced, but no liqueur wines. In other words, I have no interest to declare in this matter, because the area I come from does not produce liqueur wines. Nevertheless, I feel obliged to say that liqueur wines should be given identical treatment regardless of where they are produced. It is unfortunately the case — as Mr Ligios pointed out earlier — that there are differences in the way liqueur wines are treated. The wording of Article 8 — and I am talking

exclusively about Article 8 — is rather one-sided, although I would of course agree that the rapporteur has, generally speaking, been very objective in expressing his own opinion and that of the Committee on Agriculture. Article 8, though, must be amended. What we have here in effect is an example of bespoke tailoring made to fit one particular person and no one else. The special features of this Article 8 are such that it will suit one country and one only, and I believe we should all be concerned to ensure that this regulation will benefit everyone equally. That is why I would propose that Article 8 be amended, and I trust that the rapporteur will give the amendment his full support. In my opinion, Article 8 is too biased, and will have to be amended before we can give it our approval. Let me stress once again that we should be thinking above all of those wines which are produced in countries which are already Member States of the Community, and not those from such countries which are likely to become members at some later time.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, on behalf of the Commission I would like to thank the rapporteur, Mr Sutra, for the excellent report he has presented on this Commission proposal on the production of liqueur wines in the Community.

With regard to the amendments, I would say that in the Commission's view they represent, in general, an improvement on the Commission proposal, and that the Commission is therefore in favour of their acceptance. I must however point out that the Commission finds it difficult to accept the proposed amendment to Article 16 (b) of the regulation. The Commission feels that the amendment goes rather beyond the aims of the proposal.

Although the Commission's aim was to improve the possibilities for designation and presentation of certain liqueur wines produced according to particularly rigorous quality standards and having a designation of origin, it cannot grant these products a type of treatment which is different in economic terms and discriminates against other products. That is why I propose, on behalf of the Commission, that the original text of Article 16 (b) as proposed by the Commission be retained.

President. — I call Mr Sutra.

Mr Sutra, rapporteur. — (F) I would like to say, as rapporteur, that I find Mr Ligios' remarks on discrimination astonishing. There was discrimination before precisely because this regulation, which sets out to eliminate discrimination, did not exist. I was moreover at pains to point this fact out as categorically as possible

Sutra

in paragraph 4 of the motion for a resolution. I think we fully agree on that point.

I would point out to Mr Dalsass, who, as a member of the Committee on Agriculture, has suggested that Article 8 should be amended, that I have already tabled certain minor amendments to that article in the original Commission text, and I thank Commissioner Giolitti for saying that these improve on the Commission's original version. However, I did not receive any additional amendments to Article 8 during the Committee discussions. If any improvements had been put forward, I would have been willing to examine them. As it happened, there was not even anything to be rejected.

The only amendment which has been tabled, that of Mr Ligios, quite simply proposes that Article 8, which contains virtually all the rules, should be deleted.

In view of this, I am prepared to request the withdrawal of the report from the agenda so that the Committee on Agriculture may be reconvened to examine whether Article 8 really does need to be improved. I am prepared to do this with the open-mindedness to which people have been kind enough to testify to me and to accept all proposals to improve this article. But if people want to replace it with a brief text which says merely that the Council can do what it likes and which negates practically the entire regulation, then, of course, there will no longer be any report. We must be quite clear about that.

President. — I call Mr Chambeiron.

Mr Chambeiron. — (F) Mr President, I would just like to say briefly that I sympathize with the views expressed by Mr Sutra and that instead of chopping the report about we should return it to the Committee on Agriculture so that it can examine it, make the necessary adjustments and submit it to you once again. This is preferable to producing a truncated text which has become meaningless and which would be detrimental to the interests of our producers, whether in France, Italy or elsewhere.

President. — I call Mr Sutra.

Mr Sutra, rapporteur. — (F) Mr President, I note that Mr Ligios is in no doubt that I am prepared to seek an agreement, but we in the Committee on Agriculture have been working on the report for a very long time. I do not know whether we are authorized under the Rules of Procedure to consider anything other than the texts which exist at present. We have at our disposal only such amendments as have been drafted and tabled, and I find no corrective amendments relating to the article which incorporates all the rules. There is only one amendment, which proposes to delete it.

Clearly, if Mr Ligios is proposing that we hold a debate, we shall reconvene a meeting of the Committee on Agriculture. Otherwise he should withdraw his Amendment No 2, in which case we can discuss it tomorrow.

As for the assertion that the article suits one country more than another, I am sorry, but I proposed only very slightly changes to the Commission's proposal. The Commissioner, Mr Giolitti, has just said that all the changes which I proposed, however minor, are felt to be improvements; I fail to see how I can be accused of acting out of self-interest. In the Committee, I insisted that the report should be presented to me in two columns, with the original and amended texts side by side. All the amended terms are underlined to make them stand out, and the amendments are quite minor and very clear. They were accepted almost unanimously by the Committee on Agriculture.

If Mr Ligios' Amendment No 2 is maintained, I shall withdraw my report. I am willing to accept it, however, as an addendum. If it is possible — and if the President agrees — to vote on the amendment tomorrow as an addendum to article 8, I accept it, and we can then discuss all the remaining matters. But if it is a question of replacing the article, I would prefer to withdraw the report.

President. — I call Mr Ligios.

Mr Ligios. — (I) Mr President, at this point I would like to explain the significance of this amendment, in the hope of reaching agreement with Mr Sutra. I would like to point out to Parliament that in the first part of the amendment I am only repeating what was first proposed by the Commission and adopted by the rapporteur. The first part is identical: '... may be adopted by the Council by qualified majority vote on a proposal from the Commission', etc., is the text which can be found in the Sutra report. The problem arises with the second part of the amendment, which Mr Sutra has difficulty in accepting. In that part, I am adopting exactly what, as far as I know, the Economic and Social Committee unanimously decided. What is the reasoning in this case? We can accept the principle that specific provisions on description and presentation may be adopted by the Council by qualified majority vote on a proposal from the Commission, for certain quality liqueur wines produced in specific regions and in special conditions. But we cannot accept — this is my view and, I repeat, also that of the Economic and Social Committee — that this power of the Council may be exercised only for liqueur wines having the special characteristics specified in the proposal for amendment of the regulation. As I told Mr Sutra, on that basis the three liqueur wines which he cites as an example in his report would be excluded on the grounds of the quantity produced — and I am ready to prove this with figures. Indeed, by saying that they

Ligios

must have a production per hectare of only 40 hectolitres — i. e. about 65-67 quintals of grapes — one would automatically exclude all those wines. I would be pleased to have the chance to discuss this subject further in committee, because I am convinced that a better solution, and probably complete agreement, could be arrived at.

President — I call Mr Sutra.

Mr Sutra, rapporteur — (F) Mr President, I would like to say to my friend Mr Ligios that if what he has just said is true, namely that three liqueur wines which I mention in my report are not covered by the proposed regulation, this would be sufficient reason to request reference to committee.

Since such a request must always be granted if it is made by the rapporteur, I now formally request that the report be referred back to committee, because I am convinced that, as Mr Ligios has just said, we shall reach an agreement which will be satisfactory to everyone.

President. — This request is automatically granted, pursuant to Rule 26(2) of the Rules of Procedure.

14. *Urgent procedure*

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

proposal for a regulation laying down for 1980 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway (Doc. 1-832/79).

Urgent procedure is justified by the fact that the arrangements currently in force expire on 31 March 1980.

The vote on this request for urgent debate will take place at the beginning of tomorrow's sitting.

15. *Decision introducing special aid for SMUs in Portugal*

President. — The next item is the report (Doc. 1-706/79), drawn up by Mr Filippi on behalf of the Committee on External Economic Relations on the

proposal from the Commission to the Council (Doc. 1-392/79) for a decision introducing special aid for small and medium-sized industrial enterprises in Portugal.

I call Mr Filippi.

Mr Filippi, rapporteur. — (I) Mr President, ladies and gentlemen, the topic which this House is to address itself to today is of quite particular importance. We have to give our opinion on the proposal by the Commission of the Communities to the Council concerning a decision introducing special aid for small and medium sized industrial enterprises in Portugal.

This country, as is well known, submitted a request to become a member of the Community which was favourably received. At this moment negotiations are taking place intended to lead in the near future to the enlargement of the Community to include this country.

No one, therefore, can be unaware of the importance of the measures the Community has decided to adopt so that this country, once the moment has come, may be integrated into the Community economic context with the maximum possible ease.

Before we stop to look in detail at the topic which is on our agenda today, I should like to set out one or two introductory ideas, in the light of which Parliament may be able to arrive at an opinion with the maximum objectivity and in full awareness of all the facts.

First of all, I should like to remind everyone that the enlargement of the Community to include this particular Mediterranean country is ultimately motivated by political considerations.

It is obvious that the Community can and must help to support and to strengthen democracy in Portugal, so that the country may continue to develop economically and socially, thereby ensuring for its people the democratic system which is desired and hoped for by all the countries of western Europe.

In other words, the Community must strive to ensure democracy and the ideals of freedom and peace continue to apply and are strengthened in a country which is linked to our Europe by historical and cultural ties, and, last but not least, by important strategic interests.

I think I have the unanimous agreement of all the Members of this House, as I had during the discussion of this topic in committee, when I say that the accession of Portugal to the Community is not only necessary but even indispensable, especially if the matter is looked at from the political point of view.

But it is important that the 'political operation' of enlarging the Community to include this country should also be an economic success. That is to say, it is important that Portugal, once the moment to join the Community has arrived, should be able to integrate itself successfully into the Community economic context,

Filippi

because, I should like to emphasize this — in the event that membership were to result in economic problems, we should run the risk of seeing those political principles which led the Community to look favourably upon Portugal's request for membership compromised. Here, then, we have the first consideration which we must bear in mind in expressing our opinion on the Commission's proposal.

The Community, well aware of the problems of the Portuguese economy, has considered it right and proper to provide aid to help the economic development of the country. For this reason it has decided to introduce special aid for small and medium sized industrial enterprises, which important sector of Portuguese industry.

It is impossible to describe the economy of an entire country in one or two words, but all the same I think it may be useful to give you some facts which may help to provide an outline of the economic situation in Portugal today. During the period 1974-76 there was a decline in economic activity, accompanied by a significant increase in unemployment, a distinct acceleration in inflation and an increase in the deficit in the trade balance. In 1977 there was a certain upturn in economic activity, which was, however, followed by a very distinct contraction in 1978, owing among other things to the fact that from 1977 onward, the Portuguese authorities had adopted restrictive policies, particularly in the monetary field. During 1978 the growth in gross domestic product was of the order of 3 %, compared with 5.5 % for 1977. The consequence was a worsening of the situation on the labour market and an increase in the official unemployment rate, which rose from approximately 7 % in 1977 to approximately 8 % in 1978. The increase in retail prices during 1978 was very high compared with the previous year, that is to say of the order of more than 22.5 %. In 1978 the balance of payments showed a deficit of approximately 780 million dollars.

I do not think there is much point in giving you any more data on the Portuguese economy, as there is an ample supply of other data in my report. The thumbnail sketch which I have just given you of the Portuguese economy is simply meant to give you some idea of the present state and the economic needs of this country, and provides fundamental support for the direct aid which the Community intends to provide to bring about a restructuring of Portuguese industry and an improvement in the economic performance of the country.

With this aim in view, as a general principle, the Committee on External Economic Relations was unanimous in approving the Commission's proposal to provide special aid for small and medium sized enterprises. But I should like to emphasize that it is essential for this aid to be used in the most effective and realistic manner, because amongst other things, the Com-

munity is only able to grant a relatively modest amount of money, in this instance 40 million units of account. In view of the relative modesty of this amount, therefore, it is vital that it should be used as effectively as possible.

In the discussion on this topic in the Committee on External Economic Relations, the importance of Community intervention in the right sectors — that is to say, the sectors that will be able to produce and goods that have a real chance of being sold on Community markets — was emphasized. For this reason we must avoid financing and promoting in Portugal the production of the kind of goods or produce which are likely to compete with Community products which are already in surplus, or which will affect industrial sectors which are already in difficulties.

For this reason, a particular effort should be made to obtain more reliable guarantees for the use of this aid, that is to say, in order to prevent this aid being used in sensitive sectors. The Portuguese authorities ought to specify, as far as they can, those industrial sectors in which the aid in question may be justifiably spent; moreover, a similar practice is planned for in the case of the other Member States of the Community, and therefore it ought *a fortiori* to be applied in cases of countries which are not yet members of the Community.

I should be grateful if the representative of the Commission could give me some precise assurances on this matter.

I should like to point out that paragraph 4 of the motion for a resolution emphasizes the concern I have expressed above.

Another point of particular interest to which I should like this House to devote some attention concerns the need for Parliament to be informed, just as the Council should be, regarding the achievement of those measures provided for by the Commission proposal. Parliament can and must exercise a certain amount of control in order to ensure that the financial assistance provided to the economy of this country is more evenly balanced. So Parliament will be able to ensure that particular political and technical assistance is provided in this field. The truth is that the professional qualifications and the specific interests of various Members of this House should make it possible for us to give advice and make suggestions which, I am certain, will help to insure that the financial aid which we are to provide will be better implemented.

Finally I should like to remind you that the Committee on Budgets tried to amend Article 2, so that the powers of the budgeting authority should not be undermined: this amendment has been taken up in my draft report.

Filippi

To sum up, this is the spirit which guided the debates in the Committee on External and Economic Relations in which I, in my capacity as rapporteur, have tried to put across to this House.

Consequently, I believe that the Commission proposal should, as a whole, be received positively, on condition, however, that the interests of several industrial sectors in the Community should be safeguarded, as they have been in difficulties for some time now. At the same time, if the financial aid to be provided by the Community is directed into the right channels after a proper assessment has been made of the needs of the Portuguese economy, as well as of the interests of the Community, we shall at the same time be guaranteeing and safeguarding the interests of this candidate for membership of the Community. So I will remind you that it is indispensable that Portugal should be integrated as completely as possible into the Community economic context and that a proper implementation of the aid which the Community is about to provide will protect the interests of both parties.

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

Mr Beazley. — Mr President, on behalf of the European Democratic Group, I should like to welcome and support the measures proposed for small and medium-sized industrial enterprises in Portugal. We have all been made aware of the very difficult times which these firms have suffered in recent years, owing to the high rate of inflation and the unfavourable economic climate ruling in Portugal. We believe therefore that this is a very proper measure to assist such firms and their employees to prepare themselves for the day, which we hope will occur in the not-too-distant future, when Portugal joins the Economic European Community.

We appreciate the great importance of small and medium-sized firms to the Portuguese economy and to employment in that country. We therefore approve the report's proposal that this special aid should be provided for those industrial sectors and enterprises whose products have long-term marketing prospects and can contribute to the growth of an enlarged Community and provide balanced and constructive growth.

May I take this opportunity on behalf of my group to add that it gives particular pleasure to its British members, in view of the ancient treaty relationships which Portugal and Great Britain have maintained since the fourteenth century, that this ancient ally should be preparing itself to join the European Community. We believe that this will greatly strengthen Portugal's position in the world and strongly support in that country the democratic principles which Portugal has adopted.

Perhaps, Mr President, I may be permitted to close my speech with a short greeting in Portuguese to our future colleagues. It is a language which I hope we shall hear regularly in the future, and I would be proud to say on behalf of the European Democratic Group: *(the speaker continued in Portuguese)* We of the European Democratic Group are delighted to give our support to this first act of confidence in our Portuguese friends. We look forward to Portugal taking its rightful place as a member of the European Community and extend to the Portuguese people our sincerest good wishes for the future.

President. — I call Mrs Poirier.

Mrs Poirier. — *(F)* Mr President, the aim of these measures, as stated in the conclusion of Mr Filippi's report, is to 'promote the rapid adjustment of Portugal's industrial and economic system' to ensure its smooth integration into the Community economy. But, Mr Filippi, the experience of the Member States suggests otherwise. Who can believe that the Commission wants to preserve small and medium-sized undertakings in Portugal, while throughout the Community the industrial policy is to consolidate capital and eliminate the SMUs. In France this has resulted in tens of thousands of bankruptcies; that is how, as Mr Davignon has said, lame ducks die, and this is the sort of talk we hear very often.

The only thing which is clear is that the Commission proposal is connected with Portugal's accession to the Community. As Mr Filippi has just confirmed, its aim is political. Whatever the consequences, adjustments must now be made to Portugal's economy, and here things are possibly less clear.

True, it has never been said — obviously for good reason — that Portugal's membership of the Community would bring to that country prosperity, economic growth and other benefits which, in other times, were enjoyed by the people of the Community. Admittedly, you are obliged to talk about the 'necessary adjustment of Portugal's economic structures', and in particular about those structures which are most vulnerable to the effects of accession, but — understandably — you soon move on to another subject; I, however, would like to dwell on this matter for a few moments.

Although you are proposing Community aid for SMUs in Portugal, you know that Portugal's accession will result in the disappearance of thousands of small and medium-sized undertakings, which will be swept aside by the multinationals, for whose benefit enlargement is being prepared. This will be accompanied by increased unemployment, as was also forecast for Spain in Document 630.

You also issue warnings about the limitations of aid for the SMUs by stating bluntly — and I quote from

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the Commission's document: 'Steps must therefore be taken to ensure that aid intended in principle for small and medium-sized enterprises is not used as a screen to conceal the installation of large multinational enterprises financed from other sources'. Is this not tantamount to admitting that, despite this principle, your sole aim is to prepare the ground for the giants which dominate the Europe of the Nine. Moreover, you insist on being allowed to do this without hindrance and to decide how and according to what rules your so-called 'restructuring' is to be organized.

I would remind the House of the persistent interference of the International Monetary Fund and of its general role as an agent of imperialism while the Portuguese people were acquiring new rights and liberties. You now mean to carry on where it left off. You insist that all information should be 'transparent'. What does that mean? Longterm consultations between the Commission and the Portuguese authorities on the objectives to be achieved? Is it not true that you insist on determining the criteria for the financial viability of the undertakings and on being allowed to keep watch on them as you see fit? Have you not requested, moreover, that a sizeable portion of the financial burden should be borne by the Portuguese Government, since you know very well that you will have a hard time getting the European taxpayer to shoulder this?

Briefly — and I shall wind up on this point — the Commission's proposal confirms that the EEC's intended enlargement is against the interests of the people of Europe and of the fundamental economic future of its countries, both those of the present Community and of Portugal, Greece and Spain.

(Applause)

President. — I call Mr Haagerup on behalf of the Liberal and Democratic Group.

Mr Haagerup. — *(DK)* Mr President, the Liberal and Democratic Group, like the vast majority here in this House, hopes and expects to be able to welcome Portugal as a member of our Community in a few years time.

Portugal is poorer than the existing members of the Community. It is currently going through a period of serious economic recession and this situation cannot be expected to improve unless Portugal receives aid.

With a view to ensuring that the enlargement of the Community does not aggravate the crisis in Portugal still further, we must attempt to prepare Portuguese industry for membership. I hardly need to stress that in the absence of such aid, unemployment would probably rise to more than the current 8 %, in which case

it would be practically impossible to reduce inflation which is currently running at a rate of over 20 %. Furthermore, Portugal is a country in which there is a great deal of hidden unemployment in the rural districts. It is therefore obvious that we must offer aid.

The Community has proposed an aid programme for small- and medium-sized undertakings, and, in my view, the limits set out in the proposal, i.e. undertakings with between 5 and 500 employees, are too wide. The programme covers aid running to 40 million units of account per year, and, in my view, it would probably have been better to limit the number of undertakings eligible for such aid. A study carried out in the United States has shown that by far the greater proportion of new jobs are created in undertakings with considerably less than 100 employees.

We are concentrating, in this respect, on improving the competitive position, which we expect will also have a positive effect on the employment situation. However, we must be certain that the amounts we make available for various industries are not used to support undertakings with no prospects, since it is our intention to build up a healthy industry which, as I said before, will be able in a few years to take on the economic challenges of other undertakings in the Community, and therefore I should like to draw particular attention to the training aspect of the programme. However, if this action is successful, it will give lasting results and help in laying the foundations for a revival of the Portuguese economy.

Finally, I should like to make some comments on the problem of those sectors which will possibly not receive aid. The attempts to arrive at a general common policy aimed at avoiding overproduction are naturally something which we wholeheartedly support. However, I must stress that, if we do not, in the case of Portugal, support a few sectors which are small in number but are traditionally extremely important, we will be running the risk of making it difficult, if not impossible, for the programme to succeed.

With the reservations I have just mentioned, my group supports the programme. The Liberal Group intends to vote in favour of this report since we realize that this programme can only be the first sign of our solidarity with a future Member State which is in a less fortunate position than the existing members.

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

Mr Gillot. — *(F)* Mr President, ladies and gentlemen, obviously we can but welcome the Community's plans to grant aid to the small and medium-sized undertakings in Portugal for their gradual adjustment in readiness for that country's accession. Such undertakings clearly make an important contribution to the eco-

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nomies of all countries. However, I should point out that such a decision affecting an applicant country will create a precedent. That was my first observation.

My second point concerns the way in which the aid should be used. It should not be used for anything else, and its use should therefore be subject to strict supervision. It should not encourage the development of activity in sectors in which the Community at present has surpluses, such as textiles, clothing, footwear, wine and olive oil. Finally, I would ask the Commission whether this aid will really go to the small and medium-sized undertakings in Portugal? Is it not true that in Portugal undertakings which employ a staff of five hundred are in fact large?

President. — I call Mrs Caretoni Romagnoli.

Mrs Caretoni Romagnoli. — *(I)* Mr President, the Italian Members of the Communist and Allies Group have voted in favour of this motion in Committee and now confirm their votes to the House, undeheartedly take the opportunity of congratulating the rapporteur on all the work that he has done.

We should like to point out that the sum which the Community intends to give to aid small and medium-sized undertakings in Portugal is very modest. Even if we are very appreciative of the great debate that has been taking place on the political aspects of this problem, it nevertheless seems to us that the debate was out of all proportion to the very modest amount of aid involved. But in any case we are talking about aid which is to go to one of the key sectors of the Portuguese economy. We are very well acquainted with the present state of that economy and I, as an Italian, am very well aware of the importance this sector has in a country such as my own. We, the Member States of this Community have, for example, seen this kind of undertaking develop quite exceptionally in the last ten years.

So this is necessary aid which we must give to the Portuguese economy, aid which we are giving both because it is right that we should help these undertakings and because of the great political importance that attaches to such help. We are in favour of enlarging the Community, we are in favour of establishing as soon as possible the requisite conditions for the full accession of Portugal and, for this reason, we cannot but approve this motion.

It seems to me that checks on the uses the aid is to be put to were very carefully built into the report, and this is of interest to us, also from the point of view of providing guidance to industries, and we are above all in favour of the idea of asking for an active presence on the part of Parliament, side by side obviously, with the Commission and with the other bodies involved.

For these reasons, Mr President, I conclude by saying that we shall vote in favour of this report.

(Applause)

President. — I call Sir John Stewart-Clark.

Sir John Stewart-Clark. — I would just like to say, as one who has lived and worked in Portugal and knows the Portuguese and their great aptitude for hard work, that I do very much support this resolution. There is a great necessity to integrate the Portuguese economy as soon as possible into the Community economy. I know, as I believe we all know, that small businesses form the core of any economy, and this is as true for Portugal as it is for countries already within the Community. I would therefore just like to say, as my group's spokesman on the Committee on External Economic Relations and as vice-chairman of the group's small businesses committee, that I very much welcome this resolution and we very much look forward in the future to seeing these people from small businesses within this Community and within this Parliament.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — *(I)* Mr President, on behalf of the Commission I wish to thank the rapporteur, Mr Filippi, and the Committee on External Economic Relations, for the support that has been given to the proposal under examination. This support is all the more appreciated by the Commission as it may well be of decisive importance in the difficult discussions which will be held at next month's Council meeting. The Commission is particularly appreciative of the very positive nature of the resolution as a whole and undertakes to take up the suggestions contained in the report once — as we hope — it has been approved by Parliament.

The Commission understands perfectly well the reasons why Parliament wishes to make this expenditure non-compulsory. The fact is that this is not an obligation deriving from an agreement formally entered into with Portugal.

As regards guarantee that the aid granted as part of this programme should not be used for investments in so-called sensitive sectors — the rapporteur mentioned the textile sector, the clothing sector, and shoemaking — the Commission believes that the last paragraph of Article 4 constitutes an appropriate instrument to achieve this end. Moreover it is clear that, given the limited number of enterprises that will be able to benefit from this aid — as Mrs Caretoni Romagnoli pointed out — the financial scope is — alas — very restricted, which is why it will be necessary to adopt

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very rigorous selection criteria. The Commission is also prepared to adopt the amendments which have been put forward with regard to this point.

Finally, I am happy to be able to reply favourably to Parliament's request that the Commission should keep not only the Council, but also Parliament itself, fully informed throughout the entire life of the project. The Commission would have done so in any case, but we acknowledge the opportuneness of making express mention of this point in the text of the resolution. As for the practical means of conveying information from the Commission to the Parliament, I can assure you that Mr Natali will devise a system which will fully meet Parliament's requests in this respect.

(Applause)

President. — I call Mr Filippi.

Mr Filippi, rapporteur. — (I) Mr President, ladies and gentlemen, first of all I should like to thank everyone who has taken part in this debate, which moreover echoed the equally rich and varied debate which took place in Committee.

There has been talk of the modest proportions of the aid in question, and Mrs Caretoni Romagnoli even reminded us that the length of the debate was out of proportion to the limited scale of the aid. There has been talk of the encouragement that should be given to flourishing businesses. There was also talk, by Mr Gillot, of precedents; and I think that I must emphasize with great gratification that this is a good precedent. I believe that the countries which have asked to join the Common Market must be given some kind of encouragement, in ways which can take on various forms; in this case it involves a form of economic aid to small and medium-sized undertakings. But I believe that this initiative must not be censured and I am sure that this was in no way part of the spirit of Mr Gillot's remark. I think this is a good precedent and — let us say as much to the Commission — a precedent which must be followed up.

The need to avoid stimulating production in those sectors which could be the cause of further surpluses has been rightly and properly emphasized, and particular reference was made to the textile sector, the clothing sector and the shoemaking sector. I think that, if the report is read carefully, it will be seen to provide guarantees in this respect. In addition, Mr Giolitti gave further broad guarantees in this respect in his speech.

The representative of the French Communist Party wished to remind us once again, here in this House, of how isolated his part is, an isolation which had already become manifest during the committee's meetings. A fiery attempt was made to conjure up before our eyes sinister phantoms — such as the phantoms of imperial-

ism and the multinationals, which are apparently hiding behind this modest sum of aid with the aim, perhaps, of extending their threatening tentacles towards a Europe which is attempting to progress and expand. The truth is quite different. The truth is that the French Communist Party has once again revealed its different way of looking at the question of Europe. Nor is this the first time the French Communists have taken a different line. All this is a fine example of the much-vaunted 'Eurocommunism'. But fortunately Mrs Caretoni Romagnoli, in a speech that was both brief and to the point, demolished these arguments, which we consider extremely unjust and extremely unjustified.

Last but not least, I should like to thank Mr Giolitti for having accepted the point of view of Parliament's committee.

(Applause)

President. — The debate is closed.

The motion for a resolution will be put to the vote at the next voting time.

16. *Relations between the EEC and ASEAN*

President. — The next item is the report (Doc. 1-718/79), drawn up by Mr Seeler on behalf of the Committee on External Economic Relations, on

relations between the European Community and the ASEAN States and on the proposal from the Commission for a Council regulation concluding the cooperation agreement between the European Economic Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand, member countries of the Association of South-east Asian Nations.

I call Mr Seeler.

Mr Seeler, rapporteur. — (D) Mr President, ladies and gentlemen, I should like to begin by pointing out that almost all the political groups in this House are continually stressing the need for Parliament to seek more powers, more influence and, above all, more political monitoring functions; these must include the right of Parliament to become involved in good time and to be given the chance to state its opinion before agreements entered into by the Community are concluded and enter into force.

(Applause)

This, ladies and gentlemen, would indeed be a first step towards ratification by Parliament. During last December's debate on the GATT Agreement, we complained loud and long about the fact that this

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House had, as usual, become involved far too late. In the case of the ASEAN Agreement, the European Parliament would have had the chance to state its opinion in February as part of the normal process. Indeed, conclusion of the agreement was deliberately put off from December to March to give the European Parliament a chance to discuss it without always having one eye on the clock. So what in fact happened, ladies and gentlemen? The Bureau, meeting in February, placed this item on the agenda for Friday, although they knew perfectly well that, because of the large number of urgent matters to be dealt with, there is usually insufficient time available on the Friday of a part-session. I regret that I have no alternative but to criticize the Bureau for its lack of political sense in drawing up the agenda for the February part-session. The criticism must, however, apply equally to the whole House. What we are after is political influence, so what do we do? We go on for hour after hour debating whether this or that matter is or is not urgent — often without coming to any decision — while important matters to do with our day-to-day work are simply forgotten.

(Applause)

Ladies and gentlemen, it is time we realized that we Members of a newly-elected Parliament cannot solve all the problems of the world in a few months and neglect our work, which takes the form of reports from the committees.

The ASEAN Cooperation Agreement is of considerable importance in both economic and trade policy terms. It will enable our relations with the countries of South-East Asia to be strengthened and extended. The ASEAN countries together make up a market of 240 million people, and in contrast to many developing countries in other parts of the world, this is a region which is characterized by a remarkable rate of development. In recent years, the real rate of growth in these countries was between 7 and 8 %, compared with only 2 to 3 % in the Community. The ASEAN countries have an enormous need for capital and consumer goods, and of course also for capital. Their development also depends on European know-how. In return, they can offer us raw materials and natural products which are in very short supply in Europe. In other words, then, there are plenty of opportunities here for the strengthening of economic and trade relations. In view of the fact that we Europeans are very largely dependent on the export market, there are very definite opportunities for us here to safeguard our existing jobs and create new ones. In January, this House devoted a whole day to discussion of this subject. This agreement, ladies and gentlemen, is a definite step towards putting into practice what our debate in January showed to be necessary.

The general aim of the cooperation agreement is to increase the volume of trade and facilitate trading as such. Unlike Japan, the ASEAN countries' trade with

the European Community has been declining for years, and this agreement aims to give a fresh impetus to trade relations. It also sets out to complement economic relations as such by improving social, cultural and scientific cooperation, which means that this agreement goes far beyond the terms of a normal trade agreement. It is also of great political importance. The ASEAN countries have formed an alliance to — as is stated in the preamble to their agreement — improve their economic, cultural and social development and to create a zone of peace, neutrality and political stability in Asia. They want to create a balance between the super-powers in this part of the world, and in particular they want to join together to resist Vietnamese expansionism. These efforts are supported by the European Community by way of this cooperation agreement. As far as the ASEAN countries are concerned, the search for political partners in an attempt to retain their independent status between the super-powers is, along with the strengthening of economic relations, one of the essential reasons for this cooperation agreement, and it is undoubtedly in the interests of the Member States of the European Community to encourage this policy.

Having said that, allow me to make a few critical comments on the recently signed agreement. Firstly, many of the provisions of the agreement are formulated in very general terms, and for that reason the Commission should lose no time in submitting more precise plans for the implementation of the agreement and in keeping Parliament and the relevant committees informed of subsequent developments.

Secondly, the agreement incorporates no provisions on safeguarding foreign investments. For this reason, the Commission should keep a very close watch to ensure that no distortions of competition are allowed to arise and that steps are taken to prevent, as far as possible, markets such as the textile market being distorted. Of course, I realize that any agreement like this must be viewed in terms of the GATT agreements and must make a contribution, in the medium term, to structural changes, and that includes the Community.

Thirdly, the Committee on External Economic Relations is not unconcerned at the fact that this agreement accords most-favoured-nation treatment to the ASEAN countries, which effectively gives them all the advantages of the GATT agreement without requiring any reciprocal obligations from them. Let us not forget that so far none of these countries has signed the GATT agreements, and that Thailand is not even a member of GATT. The Commission must therefore take urgent steps to ensure that Thailand does become a member and that all the contracting parties accept the results of the Tokyo Round.

Finally, as spokesman for my Group, I should like to draw your attention to one point which is causing considerable concern to both my Group and the Committee on External Economic Relations. While recogniz-

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ing the success which this agreement represents for the Community and its relations with South-East Asia, we must not be blind to the fact that some of these countries brutally ignore human rights day in, day out. People - even Members of Parliament — are kept in custody for years without trial, simply because they have dared to criticize the line taken by the government in power. And what is going on in the former Portugese colony of Timor deserves, I think, the description 'genocide'

Ladies and gentlemen, this undoubtedly casts a shadow on the ASEAN Agreement; after all, ever since direct elections, this House has always stressed the prime importance of respect for human rights throughout the world. This demand on the part of us Europeans must apply equally to the ASEAN countries, and we made this point quite openly to the members of a visiting delegation from those countries. It will continue to be our duty to expose violations of human rights in that part of the world, wherever they occur and whatever form they take, and we shall take every opportunity to see to it — in a friendly spirit — that these practices cease.

Finally, Mr President, and despite these reservations, I should like, on behalf of the Committee on External Economic Relations, to recommend that the House approve this Report, and I should also like to recommend approval of Mrs Squarzialupi's amendment seeking to introduce a new paragraph 8 a into the motion for a resolution. I think her addition will improve the report as a whole.

President. — I call Mr Janssen van Raay to speak on behalf of the Group of the European People's Party (CD Group).

Mr Janssen van Raay. — (NL) Mr President, ladies and gentlemen, I should like, on behalf of my Group, to say that we support Mr Seeler's report and that we shall be voting for the motion for a resolution.

In his speech, Mr Seeler rightly searched his own heart and criticized us for not debating this matter in good time, in other words, before the cooperation agreement was signed. This report was on the agenda for the Friday of the February part-session, and it is regrettable — indeed, it is disgraceful — that we should have put off discussion of the report until today.

The political importance of this cooperation agreement cannot be overstated. Particularly in view of Afghanistan, it is highly important for the European Community to have concluded a Parliamentary cooperation agreement and a trade and economic cooperation agreement with the five South-East Asian nations.

As I said, the political importance of all this cannot be over-stated. I should like, instead, to concentrate on

the institutional aspect. Paragraph 16 of the motion for a resolution rightly states that the European Parliament must be involved in the ratification procedure for this kind of agreement to a greater extent than is currently laid down in Article 228 of the Treaty.

The fact that we are now discussing this point shows that we are on the right path, but, from a democratic point of view, it is unacceptable that agreements as important as this one can be entered into without parliamentary approval. In this case, Parliament's approval was not sought, and that is why my Group wholeheartedly supports Paragraph 16, which provides for discussions to be held with the Council and the Commission on a procedure which will strengthen the European Parliament's powers. Let us take a practical example. Obviously, it is inconceivable that, given a clear qualified majority — as is needed to reject the budget — against conclusion of an agreement with a certain country, the agreement should still be signed without the involvement of the European Parliament or of the national parliaments. We therefore wholeheartedly support Paragraph 16, and we expect concrete proposals to be put forward in this field.

Finally, as regards Paragraph 14, I feel that too little attention has been devoted to contacts between the ASEAN countries' interparliamentary organization and the European Parliament. We know how much these countries value such contacts. Their delegation was, to my knowledge, the first — or at least one of the first — foreign parliamentary delegations to visit the directly-elected European Parliament. We extended them a heartfelt welcome, and we have in return received an invitation to attend the meeting of the five ASEAN parliaments to be held in Djakarta. I am sure we shall be taking up that invitation, because it is precisely by fostering contacts with these parliaments and with these countries' parliamentary representatives that we can bring practical attention to bear on the point that Mr Seeler made just now — the question of human rights. We Members of the European Parliament are in a privileged position to bring attention to bear on this issue by way of reciprocal contacts with these countries' parliamentarians. We know, for instance, how much the Indonesian Government has been influenced by other countries to at last release people who have been held unreasonably. That was partly due to outside pressure.

We attach very great importance to definite expression being given to Paragraph 14, and to the fostering of contacts in the future with regard not only to economic questions, but also to political issues and the question of human rights.

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

Mr Simmonds, deputy draftsman of an opinion. — Mr President, I am deputizing for the draftsman of the Committee on Development and Cooperation, Sir Fred Warner, who regrettably is not yet fully recovered from a spell in hospital. In welcoming the report before us this afternoon, may I particularly commend the attention of the House to the opinion drafted by Sir Fred Warner and approved by the Committee on Development and Cooperation, and in particular may I express the hope that in the future, as the relations with the Asian countries develop and as this agreement comes into effect, the Committee on Development and Cooperation will be fully involved. Of course there are grey areas between the work of the Committee on External Economic Relations and the work of the Committee on Development and Cooperation, but we do feel that it has a very full part to play, not only in the initial work but also in the further work of the Joint Cooperation Committee that is to be established. That is my plea, and I commend the opinion of Sir Fred to the House.

President. — Mr Simmonds, please convey Parliament's best wishes to Sir Fred Warner.

I call Mrs Caretoni Romagnoli to speak on behalf of the Communist and Allies Group.

Mrs Caretoni Romagnoli. — (I) Mr President, in the few minutes available to me I should like to set out the reasons for which we shall vote tomorrow in favour of Mr Seeler's report, a report which we welcomed very much on account of the high degree of commitment which Mr Seeler put into his work. We must, however, supplement these reasons with a number of remarks, though they will be — as I have already said — extremely brief.

As a general rule, we are always in favour of expanding the bounds of Community trade agreements. We believe that establishing relationships of this kind with the Community must always be, for all the parties involved, a factor tending towards greater democracy and encouraging peaceful coexistence. Agreements of this kind are of interest to us precisely because this is the spirit behind them. It is obvious that we look upon such agreements from the political point of view as peace initiatives, and we are afraid that attempts may be made by some people to make use of them for other ends.

So we shall also say 'yes' to this agreement with these countries, although we are in full agreement with the remarks made by the rapporteur on their internal political systems and on events in some of them.

There is no doubt that these facts, of which we are all aware, cast a certain shadow across the agreement. There is no doubt that the concern evinced by some members of this House with regard to the question of

human rights — more so by some than by others — are echoed in our assessment. On the other hand, we also believe that due account must be taken of the wide differences between the various member countries of ASEAN.

However, after mature reflection on all the aspects involved, we believe that an agreement between the Community and the member countries of ASEAN will undoubtedly constitute a source of stabilization; heaven only knows how necessary a stabilizing element is in that part of the world! But this stabilizing influence must be brought to bear peacefully and in full respect of the autonomy of each member country, always assuming that Europe succeeds in taking on this kind of function more and more and constituting more and more a centre of attraction for neutral and nonaligned countries.

These are the reasons which, in our opinion, militate in favour of a positive political assessment of this agreement. Of course the ASEAN countries benefit from this agreement in terms of political recognition and enhanced credibility. This is an important factor which both sides must appreciate.

So much, then, for the political reasons, but I am also in agreement with the economic reasons which the rapporteur expounded to us. Without going into details, suffice it to say that the commercial and economic reasons are extremely obvious. We only need to reflect for a moment on the need which all our Member States have for raw materials

I should next like to make a few brief comments on the remarks made in the report — made by all of us in the Committee on External Economic Relations — on the decline in the volume of EEC trade with ASEAN and the privileged roles of the United States and Japan.

Of course Mr Seeler is right — the agreement constitutes an opportunity to reverse this trend; nevertheless we must also bear in mind that we are often faced with this kind of problem, not just with these countries. So I wonder whether the European Parliament and its committee should not debate the question of why this is happening almost everywhere. And should we not also perhaps start to wonder — and should the Commission not also start to wonder — whether our tariff system has not, perhaps, already reached the extreme limits of what it can do? I think this is a matter which the European Parliament should consider.

As for the delay — and I agree we are talking about an agreement which has already been signed, if my information is correct — as for the delay, since the original meeting in Kuala Lumpur on 28 December, it would appear to be due to a difference of opinion over the problem of encouraging and protecting investments. Assuming that we are properly informed, one of the Member States was distinctly in favour of national

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preferences with regard to the encouragement of investment. I believe that this is a problem which we — even if a compromise on the question has been reached in this agreement — should also deal with.

We must also address ourselves — excuse me if I am dealing somewhat sketchily with these topics, but I have so very little time available to me — to the question of protecting investments. This is a political problem which must be studied further, and we shall come up against it very shortly when we come to debate the agreement between the Community and India. The Council, Mr Giolitti, has arrived at a compromise. Nevertheless, I think that the question remains open with regard to its essence, and I think that we must scrutinize this essence very seriously.

The report and the motion show clearly that the Committee on External Economic Relations, while approving of the usefulness of the agreement, has many reservations and many criticisms to make. We are fully in agreement with all of them and for this reason shall not repeat them here.

One final remark. The rapporteur rightly pointed out — I repeat this — that we are talking about an agreement which has already been concluded. So we have no alternative but to urge all the Community bodies and ourselves to think carefully. We must take up the question of these delays. We simply cannot discuss and assess a matter which has already been settled when we all feel that the need for Parliament's involvement is increasing.

The Italian members of the Communist and Allies Group are in favour of trade policy becoming more and more the preserve of the Commission, so that the process which must continue will not be halted; because we would like to see this take place properly, we insist on the need to involve Parliament, because only with Parliament's participation is it possible to imagine a harmonious policy worthy of the Community, in other words, a democratic policy.

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

Mr Berkhouwer. — (NL) Mr President, I should like to begin my contribution to this debate on behalf of my Group with two preliminary remarks.

The first is a constitutional point and has already been referred to by the rapporteur, namely, the part this Parliament should play in the conclusion of this kind of agreement. This matter is somewhat complicated by the fact that what we are talking about here is not a formal association agreement within the meaning of Article 238. It is complicated still further by the fact that what we have here is a Commission proposal for a Council regulation which, as it were, incorporates this

cooperation agreement. That explains the reference to Article 113 of the Treaty, relating to trade agreements which do not require prior approval by the European Parliament.

But the Commission and the Council have also invoked Article 235; as the Commission's proposal says in so many words: '... having regard to the Treaty establishing the European Economic Community, and in particular Articles 112 and 235 thereof.'

If Article 235 is to apply here, the Council must, according to the Treaty, act unanimously and — and this is the important point — after consulting Parliament.

That much should be obvious because what we are concerned with here are agreements which no longer need to be ratified by the Member States. When the Treaty was drawn up, it was thus realized that something would have to take the place of ratification by the Member States, to wit, prior consultation of the European Parliament. We have tried to find a way out by such things as the Luns-Westerterp procedure, but of course things cannot go on like that.

It is of course intolerable for us to be asked for our views as a kind of afterthought, at the tail end of the procedure, especially when what is at stake is such an immensely important agreement between no less than the whole European Community with its population of 250 million and in no less than five Asian countries with another 250 million inhabitants. It is intolerable that this agreement should have been signed in Kuala Lumpur on 7 March, accompanied by a political declaration of enormous importance, and that we should be graciously allowed to add our comments a few days after the event.

I should like to ask the Commission to do everything in its power to help us to put an end to this appalling situation. I should also like to know what the Commission itself thinks of all this. Does it go along with the Council, which simply goes its own sweet way without taking the slightest notice of what we say? Or is the Commission on our side, and if so, is it prepared to tell the Council that, as far as this sort of agreement is concerned, it can no longer be allowed to go off to Kuala Lumpur or anywhere else in the world before consulting the European Parliament and obtaining our approval for whatever is to be signed?

Of course I agree wholeheartedly with what the rapporteur had to say about human rights in Asia, Africa, Latin America and many other parts of the world. We must be honest with ourselves and be prepared to admit in all conscience that the five countries which are party to this agreement are somewhat lax in their respect for human rights.

Let me remind you that President Marcos said recently that there could be no end for the time being to

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the state of emergency. In other words, as President Marcos said, martial law will continue to be the order of the day in the Philippines in the foreseeable future. Like Mr Seeler, I hope that we shall be able to do something about this within the framework of cooperation.

The situation on Timor is of course not all it should be either.

Moving on to the main point of this debate, I am pleased to say that the European Parliament, as a Community institution, has for a long time been a driving force in relations between the Community and the South-East Asian countries. We took on this role from the very beginning when ASEAN began to take on economic and political form, and our contribution was particularly evident in the course of our working visit to this fascinating region of South-East Asian in 1975.

The well-known saying is that 'East is East and West is West and never the twain shall meet', but relations between the Community and ASEAN have given the lie to that. What we have been seeing is what I would call a renaissance in the relations which previously existed between Europe and the Far East, which does not mean to say that the new relationship necessarily follows on from the old. I believe that the basis for developing our new relationship is described simply and effectively in the report drawn up by Mr Scott-Hopkins in 1976, following our working visit to the ASEAN countries:

The longstanding political and economic relations which have existed between a number of European countries and the countries of South-East Asia must be continued on a new, that is, a Community basis. In this connection the European Community has one great advantage. As an ASEAN ambassador said, the European Community is a power with a future, and without the burden of the past.

It is indeed true that the Community as such does not suffer from the burden borne by some Member States as a result of their colonial past in the ASEAN region.

It is because of developments in the South-East Asian region that the ASEAN countries have grown together internally and have reoriented their common external policies towards Europe. Since the US withdrawal from South-East Asia, there is a widespread fear of Communist penetration, whether from the Soviet Union via its satellite Vietnam or from expansionism on the part of their big neighbour China. There is also a certain apprehension of, and sometimes resistance to, Japanese economic penetration, fuelled by certain feelings left over from the recent past. I am treading very cautiously in what I say on this point.

Given this resistance to the idea of becoming a kind of American or Japanese economic protectorate — take the example of the Philippines, 40 % of whose trade is with the US, 40 % with Japan and only 20 % with the

rest of the world — the more or less automatic reaction is a reorientation towards Europe.

The great Spanish philosopher Ortega y Gasset once said '*Europa es un equilibrio*', and if Europe is a balancing element in the Atlantic region, then the same should be true of ASEAN in the region of the Pacific and Indian Oceans. All five of the ASEAN countries want to retain their independence and believe that associating together will further that cause. They also intend to work together to form a balancing zone between their mighty neighbours. Between the two regions — between their region and ours — lie the areas which are so vital for our energy supplies. The countries in both regions — with the exception of Indonesia — have quite literally a global, common interest in safeguarding their energy supply routes.

Mr President, the point has been made that the European Community and the ASEAN countries are of a similar size in terms of population — around 250 million people live in either region — but we should of course not forget that in the ASEAN countries, population distribution is much more uneven than in our part of the world. More than half of the 250 million people live in Indonesia, and most of them are concentrated on the island of Java. Indonesia's major problem is reducing the population of Java and increasing the number of people elsewhere.

Then, of course, there is also the difference in living standards between the various countries, with discrepancies many times greater than between the various regions here in the European Community. There is no comparison between the standard of living enjoyed in Singapore and that of someone living in an Indonesian village. From this point of view, we wholeheartedly agree that the projects the Community has undertaken to finance as a result of the recently concluded agreement should first and foremost benefit the most backward ASEAN regions. As you can imagine, Mr President, I personally am thinking in particular — but not exclusively — of the economic problems facing the Indonesia we know and love.

The point has already been made that, from the economic point of view, the agreement does of course offer enormous opportunities for a spectacular expansion in mutual trade. I can only underline what Mr Seeler said earlier on this point. There are of course particularly good prospects for two-way trade in industrial products from the West on the one hand and primary goods from the East on the other.

Finally, it is of course of infinitely greater political importance that the positions adopted by the Community are — so to speak — interwoven with the state power politics in the world. It is thus all the more odd that we should have had no political debate on this matter.

Just picture to yourself the situation: Nine ministers from the European Community meeting the five

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foreign ministers from the five ASEAN countries in Kuala Lumpur and producing, on behalf of 500 million people, a joint political declaration of the utmost political significance. I approve of what was done, but my approval can only be expressed after the event! Was there so much as a gesture at political consultation, with our Political Affairs Committee or in the framework of political cooperation? Surely what happened on the 7th of this month was in fact of the utmost political significance, but what did we — as elected representatives of the people of Europe — ever get to hear about it?

The fact that the Foreign Ministers of the ASEAN countries and of the European Community met on 7 March in Kuala Lumpur and issued a joint declaration on the Soviet invasion of Afghanistan and the Vietnamese invasion of Cambodia was a milestone in the development of international relations. We too have unequivocally condemned these invasions. But what happened to the political consultation on this matter between the ministers who represented the Europe of the Nine — and they were careful to point out in so many words that they were our representatives — and the European Parliament?

As far as this point is concerned, I can only come back to my preliminary observation. I hope that this will be noted in the circles I am addressing myself to. I should like to conclude by emphasizing that this agreement has the unreserved political blessing of myself and my Group. We hope that the future development of relations between ASEAN and the European Community will make a definite contribution towards making this world of ours a haven of peace, security and prosperity for all.

President. — I call Mr Remilly to speak on behalf of the group of European Progressive Democrats.

Mr Remilly. — (*F*) Mr President, my Group considers it essential that a zone of peace, freedom and neutrality should be maintained and strengthened within South East Asia, that very troubled region. For the ASEAN countries this means development and economic integration, which the Community can help them to achieve. The Commission's choice of an outline cooperation agreement which leaves ample room for manoeuvre seems to us the best way of strengthening EEC/ASEAN relations.

Although the group of the five member countries of ASEAN, with their 247 million inhabitants, may be compared to the EEC as regards population, it would not be correct to say that these two entities form a comparable whole. In fact, economic growth in ASEAN for the period 1973 to 1978 varied between 6.8 and 7.9 %, while it was less than 3 % in the EEC during this same period. Moreover, apart from Singa-

pore, their level of development is not comparable. For this reason we should support ASEAN efforts to increase its self-reliance, promote its economic growth and improve social conditions for its peoples through projects which will accelerate development in its member countries and the region as a whole. However, there are certain aspects of this agreement which give us cause for concern. Besides the points raised by the rapporteur, whose opinion we share, we wonder whether the Commission has examined all the consequences of this agreement and whether it has reserved the powers to deal with them. We are particularly thinking of the problem which is now posed us by Japan: that of industrial development and on the spot processing in the ASEAN countries which we are likely to suffer from in the future. We all know that most of the goods made by Japan in Asia are re-exported either to the West or to Japan itself. For let me remind you that as early as 1975, 53 % of the products of Japanese subsidiaries in Asia were sold in the host country, 20.5 % in other countries and 23.3 % in Japan. Since then the situation has only got worse and forced a number of Japanese industries to give up the types of production handled by cheap labour abroad. Is there not a risk that this situation will occur in the EEC? We are particularly thinking of the textile industry and the outward processing arrangements which apply to it.

The second important point, which is not mentioned in the resolution, concerns the advisability of creating a stabex, like that set up as part of the Lomé Convention. Of course, we are not forgetting that Indonesia, Malaysia, the Philippines, Singapore and Thailand supply some 75 % of world exports of natural rubber, palm oil, tropical woods and coconut and considerable amounts of copper, tin and sugar. But in this case, would it not be better to settle the commodities question world wide by international agreements?

It is not practical to think of applying a preferential system to Singapore, when on several occasions we have had to adopt voluntary restraint arrangements for imports from that country. It seems extremely difficult to us to introduce a system for the ASEAN countries which would be as favourable as that which we already have for the ACP countries, to which we must continue to give preferential treatment according to our commitment.

In the present economic situation, the EEC cannot take initiatives here, there and everywhere. It must follow a policy of efficiency, which means not frittering away its development aid and making the best use of the available resources. Under item 11 at the Paris summit meeting, the Heads of State and Government declared that there was no question of tampering with the advantages enjoyed by those countries with which the Community has special relations. Today, this declaration is more relevant than ever and we shall do everything possible to ensure that it is respected. Let us not forget that ASEAN has been benefitting from the

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Communities generalized system of preferences since 1971, from favourable cumulative origin rules and, lastly, from the aid programme for non-associated developing countries. These opportunities, in addition to the outline cooperation agreement which has just been signed, offer considerable outlets for products from the ASEAN countries and should enable them to make a real improvement in their economic potential.

The United States and Japan occupy an important trading position in ASEAN, by virtue of the agreements they have concluded with it. Has the Commission examined these, and are they comparable in content to the EEC/ASEAN agreement? Do these agreements offer more advantages, has Japan granted a Stabex to the ASEAN countries and, if so, what are the details? How will the EEC be placed between Japan and the United States in this region from now on? These are the questions which face us today. Finally, we would like to stress the need for closer cooperation between the Member States as regards development aid and the need for this aid to be coordinated with Community aid.

President. — I call Mr Coppieters.

Mr Coppieters. — (NL) Mr President, we could well call the motion for a resolution on relations between the European Community and the ASEAN countries the resolution of the missed opportunity. Like the rapporteur and many other Members, I deplore the current procedure for involving the European Parliament in the conclusion of international agreements, which — as far as the EEC is concerned — no longer need to be ratified by the national parliaments.

Something has got to be done here without delay. We can not put up with the current situation, because now that we are a directly elected parliament, the rubber-stamp function of the old European Parliament belongs, I trust, once and for all to the past. This means we must do more than simply take note of this cooperation agreement. We must get to the heart of the matter. So far, neither this nor any national parliament has had a chance to get involved in these important matters, although the tone and the content of the negotiations have changed since talks got under way at the end of October. The significance of the cooperation agreement with the ASEAN countries unquestionably goes far beyond the commercial, economic and development aspects. Yesterday's 'Times' said that this agreement could not be compared with the second Lomé Convention. The benefits granted to the ASEAN countries under this agreement are quite simply not in the same league as those granted to the ACP countries.

It is striking that last November much more attention was being given to the development aspects of the agreement.

Could it possibly have something to do with the Soviet invasion of Afghanistan that the accent has now been shifted to the political and military side?

Of course, we cannot be blind to the strategic position of the ASEAN countries. We have only to think of Thailand, Laos, Cambodia and Vietnam. Clearly, the EEC-ASEAN Agreement has now become first and foremost a political agreement. Repeated reference is made to such aspects as peace and the maintenance of peace. Has this House not missed its chance to debate the central aspect? Should our priorities with regard to development aid now suddenly give way to primarily military and strategic considerations?

We regularly adopt resolutions on violations of human rights, but, just as in all the other agreements the Community has signed, this cooperation agreement makes no reference whatsoever to human rights. We are all well aware that the Philippines, for instance, is governed by an out-and-out dictatorship. We are therefore bound to ask ourselves precisely what kind of agreement this boils down to. Is it mainly concerned with development? Or *détente*? Or perhaps to formation of alliances? If, in fact, it is all three things at once, we must ask ourselves for whom and on whose behalf the agreement has been concluded, because one thing is clear — this House has not had a chance to discuss the matter.

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

Mr Prag. — Mr President, like other members of the ASEAN delegation of this Parliament and, I am sure, like all the other members of my group, I warmly welcome this agreement and I welcome too the Seeler report on it.

When the delegation from the ASEAN countries was here in the autumn, they placed, even on a framework agreement of this kind, a degree of importance which was striking and even flattering. It was an example of how much those outside the Community expect of us, even when very often we are unable to deliver, and I hope they won't be disappointed.

There are some disappointing features in the agreement, and they have been referred to. (I am not weeping at the disappointing features, Mr President, nor even at the small number of people present — it's just that I have a cold.) Of those disappointing features, I think the first one was the failure on the Community side — not on the ASEAN side — to achieve agreement on investments by Community countries in the ASEAN countries. It is a great pity that one or perhaps two of our Member States find it necessary to insist on limiting the powers of the Community whenever they think the Community might do something effective. It

Prag

is evidence both of a lack of Community spirit and of a legalistic approach to European unity.

The second defect is not in the agreement itself: it concerns the question of aid, and it lies in the amounts of aid which are available. Now the amount of Community aid as such, as opposed to national aid, which is proposed for 1980 — or was proposed under the draft which we rejected — for all the countries outside the Lomé countries was a mere 130 million units of account, which may be compared with 120 million last year. That really is derisory. It would still be derisory if it were all available for ASEAN countries alone, but since it has to cover all the non-associated countries it really makes it quite clear that Community lacks the essential instruments of a development policy.

There is no way of carrying out such a policy without more money being available for financial and technical cooperation. So often the Community is ineffectual in world affairs because it lacks those necessary instruments, which are kept in the hands of the Member States, which are themselves too small to be effective. We know that a Community development policy is impossible without an increase in the derisory sums available to countries outside the Lomé Convention.

We must clearly, it seems to me, encourage the political aims of ASEAN and, I am sure, the whole of my group share the view of the Seeler report that we should encourage their objectives of peace, neutrality and stability. The promotion of economic strength cannot guarantee political stability, but it can certainly help.

There is one paragraph and that has been referred to by almost every speaker — in the Seeler report which I particularly welcome, and that concerns the call to the ASEAN countries to safeguard human rights.

It is, unfortunately, not only in the more economically backward countries of ASEAN that human rights are ignored not only in Indonesia and the Philippines, but also in rich, cosmopolitan Singapore, which has an Internal Security Act under which trade unionists and journalists have been imprisoned, some for fifteen, sixteen, seventeen years. Some of them have been tortured and some have had their health ruined. We do not require an imitation of Western democratic methods, but I certainly share the view of the Seeler report that we must take every opportunity to remind those with whom we have agreements of the basic rights to which every human being is entitled.

So I conclude, Mr President, by saying that this framework agreement is an instrument of great potential which may or may not be realized depending on what the Commission fills into the framework. We hope the Commission will report regularly on what is being achieved within the framework, and we in the European Parliament must make sure that the imple-

menting measures are both adequate and effective; because if they are, it is certain that the agreement can make a major contribution to peace in South-East Asia.

President — I call Mr Seal.

Mr Seal. — Mr President, some speakers, stressing the responsibilities of the EEC solely for trade, have argued that the European Parliament ought to be in a position to ratify this agreement. I am afraid I cannot accept that. Whilst I would agree that the European Parliament and its appropriate committee may have a role to play in overseeing such an agreement, I feel that 'ratify' is a very precise, particular word which should not be used in this case. I cannot accept that it is the role of this Parliament to take any power at all away from individual Member States.

Now one speaker asked what it was all about. This agreement is purely about trade. There is an omission; it has not considered human rights. It has not considered even the people who make trade possible, namely, the workers in industries in individual countries. To quote, as my colleague down there did, one very famous Asian citizen, Mao Zedong, 'You cannot have trade without workers', and the workers need trade unions.

Now the point I want to make, Mr President, is that the ASEAN countries have trade unions, and although they are very weak by European standards they do exist. In order to improve trade, the Commission sponsored a joint EEC-ASEAN Conference on industrial trade in Djakarta in February 1979, purely for bankers and businessmen. On 14 November 1978 Commissioner Brunner stated in answer to an oral question that the Commission was prepared to hold a similar conference for trade union representatives from the ASEAN countries. Now I can tell the Parliament that we have since been informed that the trade union organizations in the ASEAN countries, which are affiliated, by the way, to the International Confederation of Free Trade Unions, are very keenly interested in holding such a conference, and they have already started to take preliminary steps in order to ensure this. I would like to request the Commission to confirm its earlier commitment and to organize a conference so that the trade union organizations can play a part in improving trade between in EEC and ASEAN countries.

President. — I call Mr Welsh

Mr Welsh. — Mr President, first of all on behalf of my group. I would like to offer my congratulations to Mr Seeler on his report. I realise that is very frequently a formality in these debates, but I would like to say

Welsh

most sincerely to Mr Seeler that I personally, and on behalf of the European Democratic Group, congratulate him on his report which is an excellently fair reflection of the discussions in committee and is, we feel, in the highest traditions of the European Parliament and its rapporteurships. I say this with a certain amount of feeling, as Mr Seeler and I are among the very few contributors to this debate who actually sat through the committee meetings and therefore might be taken as knowing something about the subject.

I should also say that we have noted that there is an amendment from Mrs Squarzialupi on the question of drugs. We in this group rather regret that amendments of this nature are tabled at the last moment, not having been discussed in committee. In this particular case the mover has not even seen fit to sit through the debate itself.

However, out of respect for the rapporteur, since he says he accepts this amendment we will also accept it.

I would also like to say that we completely associate ourselves with his opening remarks about the way in which this particular item has been handled. We also fully agree with his position and that of Mr Janssen van Raay and Mr Berkhouwer on the question of a reform of the Luns-Westerterp procedure. Nevertheless, I have to say in all honesty, listening to this debate tonight, that I really wonder if Parliament has yet acquired the maturity and good sense to play an active role in ratifying agreements of this sort.

While welcoming this framework agreement as far as it goes, we must recognise that it is not a substitute for a trade policy and that good intentions, even when expressed with the eloquence of a Mr Berkhouwer, will do nothing to improve the Community's trading position *vis-à-vis* this important regional grouping. As the Seeler report makes very clear, the ASEAN countries are experiencing growth rates of nearly 8 %, something which for most Europeans has now become a folk memory. As the Community is steadily losing its share in these expanding markets by comparison with the United States and Japan at a time when the Commission's own economic forecasts predict a substantial deficit for 1980, we are entitled to ask what the ASEAN framework will do to improve our trading position with the ASEAN countries. This must be the test applied to his particular agreement.

In the first place we note with regret that one member of the ASEAN group steadfastly refuses to join the GATT and that the other four have not yet signed the Tokyo Round agreements because they say the results fell short of their expectations. This seems to indicate that while they themselves are reluctant to accept the principles of free trade enshrined in the general agreement, they do not accept the Community's right to protect its own markets from low-cost imports of sensitive products. We are entitled to ask, Mr President,

how far we can be expected to play games with people who do not accept the basic ground rules.

There is a great deal in the joint declaration about investment, transfer of technology and scientific cooperation. Alas, there is very little indeed about the good old principle of equal access. I am proud to come from one of the major exporting countries in the world; more than 30 % of British gross domestic product is exported still. But there have been many cases in the last 20 years where we have exported capital equipment and sold technology to developing countries, only to see them close their markets to our finished goods while they invaded our domestic markets with the products of our loans, our investments and our techniques. The results are there in Europe for all to see. Too often developing countries have built up their capital base with our investment assistance and completely failed to distribute the benefits to their own people. Not only does this defeat the purpose of development aid, but it also restricts consumption, causes world trade to stagnate and will in the end destroy the living standards that our own people and theirs have a right to expect.

The Commission has so far failed to give any sign that it has grasped these elementary economic facts. We hear a great deal about the political necessity to make agreements such as these. We have heard an awful lot about it tonight, haven't we? However, there has never been a precise definition of these political needs. Indeed listening to the President-in-Office of the Council yesterday, who was quite clearly not answering questions, one wondered whether the nine Member States are actually capable of agreeing on a precise set of political objectives.

The Council and the Commission must understand, as must Members of this House, that political *démarches* flow from economic activities, and not the other way round. I think we would have done better to concentrate tonight on the economic and not the political motivations behind this agreement, because that is what counts. The Commission must realize that we in this Parliament are going to take these matters seriously. Trade agreements are an area in which it has competence, and we must expect that that competence will be competently exercised. We accept this agreement on the basis that it is a beginning, a beginning that will be exploited in the interest of both sides. In the years to come we shall expect to see substantial increases in the Community's share of ASEAN markets, and that is the test we shall apply to this agreement. We expect to see the Community and the Commission bring to its dealings with the ASEAN nations exactly the same degree of hardheaded realism that they will certainly bring to their dealings with us.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr

Giolitti

President, the Commission would like to express its satisfaction with this excellent report and offer its congratulations to the rapporteur, because, apart from having provided a very detailed analysis of relations with the ASEAN countries, it has also brought out the political necessity for the Community to strengthen its links with this part of the world. I might add that the Commission also agrees with the other considerations which the rapporteur set out in this House a short while ago whilst presenting his report. I think that the quality of the report and the quality and the breadth of the debate that took place in this House show how great is the Commission's interest in seeing that consultation of Parliament, particularly with regard to matters of this import takes place early enough for us to be able to obtain as effectively as possible the benefit of Parliament's contribution in terms of analysis, suggestions and, if necessary, criticism.

The Commission repeats its determination to take all measures necessary to further develop as far as possible our relations with the member countries of ASEAN.

Against the background of this agreement, which marks a new stage in cooperation between the two regions, the Commission will in particular strive, by means of the joint committee set up as a result of this same agreement, to give the necessary momentum to ensure that concrete measures are adopted for cooperation with the ASEAN countries. It is also prepared, as was requested in the report, to keep Parliament informed of progress in this field.

On the occasion of the signing of the cooperation agreement, a ministerial conference took place last week in Kuala Lumpur — as one or two speakers have already reminded us — which brought together the foreign ministers of the Member States of the Community and the member countries of ASEAN. This conference, which was the second one at ministerial level with ASEAN in the space of little more than a year, was of major political importance, which I should like to emphasize on behalf of the Commission. This conference evidence of the Community's concern to give its support to the countries of ASEAN who are attempting to maintain, in extremely difficult conditions, an island of peace and stability in South-East Asia; at the same time the conference provided an opportunity for reviewing at the highest level all those political matters concerning the region in the broadest sense and to outline future measures within the framework of economic and commercial cooperation. Finally, Mr President, I should like to make one very brief remark on the amendment — the only amendment, I think, which was submitted in this House — tabled by Mrs Squarcialupi. It is not up to the Commission to judge the merits of the amendment itself, but my remark concerns the context in which this amendment must be seen, in the sense that the Commission considers the amendment irrelevant to this cooperation agreement which is only an outline agree-

ment. In the Commission's view the problem raised in the amendment, though it is certainly worthy of note, would be more appropriately discussed in the context of the Community's development aid policy towards non-associated developing countries.

President. — I call Mr Seeler.

Mr Seeler, rapporteur. — (D) Mr President, I would like to make a few comments on this very intense discussion, which I welcome as rapporteur. First of all, I would make it clear that my criticism of the procedure is not directed at the Commission, but at Parliament itself, for it is our fault that this matter is only being debated today and not a month ago.

I should like to address a second comment to my honourable neighbour, Mr Seal, who is concerned that new power would have to be transferred from the Member States to the Community if the Community were to ratify such agreements. This is not so. It is for the Community to conclude trade agreements. The Member States no longer have any rights at all in this domain. It is for this reason that the ASEAN agreement is not being ratified by the parliaments of the nine Member States. But at present this Parliament is not yet able to take the place of the national parliaments and we must therefore concentrate on creating more opportunities for a parliamentary involvement. Whether this is called ratification or whatever is not so important as far as I am concerned.

Ladies and gentlemen, nearly all the speakers in this debate have mentioned the question of human rights, and I welcome this development, because this struck a chord in me, and because this is a point which concerned us a great deal in the Committee too. But I think we should be realistic and realize that the Community is unfortunately not in a position to select the countries with which it develops economic and political relations. If it were to do this with only those countries where our conceptions of democracy and human rights are always put into practice, then there would be only very few countries in this world with which we could cooperate.

A third comment — and this also concerns Mr Seals remarks; I welcome his comments on the need for contact with the trade unions in the ASEAN countries and hope that this increased contact will help to improve the situation of, for example, the opposition in these countries.

May I say one last word about Mr Prag's contribution to the debate — I do not know if he is still in the House. There is in fact a proviso at the end of Article 3 of the agreement which stipulates that the Member States may continue to conclude bilateral agreements with the ASEAN countries on economic and other fields of cooperation, without prejudice to the rights of the Community. And here I must say I regret that it was necessary to include this proviso. It is after all the

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very strength of the Community that it faces the world as an economic entity and thus contributes to the well-being of the individual Member States and their citizens. Once again — let me say this with caution — excessive national prestige has weakened a good provision; in future, Parliament should be very careful that its rights are not eroded.

In conclusion, may I confirm that the Chairman of the External Economic Relations Committee also took part in all the debates of the Committee on this agreement. You probably only overlooked him just now, Mr Welsh.

President. — I call Mr Seal.

Mr Seal. — I just wonder, Mr President, whether the point I requested has slipped the Commission representative's mind, and that is whether the Commission are prepared to reinforce a commitment already given to a joint conference between the trade unions of the ASEAN countries and the EEC.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, the answer to the question is 'yes'. I can give this assurance without hesitation.

President. — The motion for a resolution and the amendment that has been tabled will be put to the vote at the next voting time.

The debates is closed.

17. *Urgent procedure*

President. — Pursuant to Rule 14 of the Rules of Procedure, I have received the following requests for urgent debate:

- motion for a resolution (Doc. 1-23/80), tabled by Mr Pranchère and others, on the disruption of the Community apple market;
- motion for a resolution (Doc. 1-24/80), tabled by Mr Enright and others, on participation in the Olympic Games.

The reasons supporting these requests for urgent debate are contained in the documents themselves.

The vote on these requests for urgent debate will take place at the beginning of tomorrow's sitting.

The proceedings will now be suspended until 9 p.m.

The House will rise.

(The sitting was suspended at 8.05 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR DE FERRANTI

Vice-President

18. *Regulations on the supply of milk fat*

President. — The next item is the report (Doc. 1-633/79), drawn up by Mr Sablè on behalf of the Committee on Development and Cooperation, on the

proposals from the Commission to the Council for:

- I — a regulation amending Regulation (EEC) No 939/79 laying down general rules for the supply of milk fats to certain developing countries and specialized bodies under the 1979 food aid programme;
- II — a regulation amending Regulation (EEC) No 940/79 on the supply of milk fats to certain developing countries and specialized bodies under the 1979 food aid programme.

I call Mr Sablè.

Mr Sablè, rapporteur. — (F) Mr President, ladies and gentlemen, the Committee on Development and Cooperation has expressed a favourable opinion regarding the adoption of the proposals aimed at amending Regulation (EEC) Nos 939/79 and 940/79, laying down general rules for the supply of milk fats to certain developing countries and specialized bodies under the 1979 food-aid programme.

The Commission proposes that the quantity of butteroil supplied to developing countries under the 1979 food-aid programme be increased from 45 000 t, the amount originally decided on in 1974, to 55 000 t. The reaction to this proposal as part of the agricultural price proposals for the 1979/80 farm year on the part of the Council of Ministers of Agriculture was very positive, particularly in view of the persistent imbalance on the butter market.

The extra costs will amount to 39.1 million EUA which will be divided between title 9, which will account for 13 million EUA, and title 6, export refunds, which will account for 26 million EUA.

Our committee could only welcome this proposal since it is in line with its own request for an increase in the quantity of butteroil supplied as food aid which it had previously submitted in an amendment proposing that the amount should be increased to 65 000 t. This

Sable

amendment was, however, unsuccessful at the time so we have made a second attempt, this time with the support of the Council of Ministers. The Committee now urges that the quantity made available in 1980 should not be less than the quantity now proposed for 1979.

Ladies and gentlemen, butteroil is extremely important for the economic development of certain countries, particularly the poorest countries, and for stimulating the local dairy industry in several other countries. At least this is the impression the Committee on Agriculture of this Parliament gets. Finally, it should be pointed that the Commission of the European Community proposes allocating the costs of this action in such a way as to avoid the artificial inflation of the value of food-aid given to the developing countries. This is why our committee welcomes this proposal and recommends its adoption as it stands.

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

Mr Vergès. — (F) Mr President, ladies and gentlemen, obviously our group goes along with the conclusions contained in this report, but we would nevertheless like to raise a few points regarding this vote.

Firstly, we would be glad if the amount could be raised to the 65 000 t proposed by the Commission as soon as possible, but I should like to remind you that only a few days ago, in the ACP/EEC Joint Committee, we adopted a resolution drawing attention to the deterioration of the situation in the Sahel region, particularly Senegal and Mali. In other words, the food situation in most of the ACP countries seems likely to deteriorate still further as a result of a stagnation in production and an increase in population.

Following on from this, we might consider the proposed talks on food surpluses within the European Community, i.e. milk, butter, sugar etc. We do not deny the difficult and complex nature of the situation, but the basic problem remains, in our view, that we are reducing production within the countries of the Community while a few thousand kilometres away, and in some cases a few hundred, men, women and children by the thousands and by the hundred-thousands are threatened with famine. We cannot underestimate the seriousness of the problem arising from the fact that on one side of the Association we can discuss food surpluses to be reduced whereas on the other side we know that hundreds of thousands of men, women and children are threatened with starvation.

My second point is as follows. There is no doubt that this problem of food aid will remain a central issue for many years to come. This should not blind us to the fundamental fact that this period should remain provisional and should help us in establishing a develop-

ment policy which will enable the developing countries to become self-sufficient as regards food supplies. This is the only solution which will enable mankind to avoid a catastrophe in the future in which the European Community would be directly involved.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, I should like first of all to thank on behalf of the Commission the Committee on Development and Cooperation, the Committee on Budgets and the Committee on Agriculture, for the favourable opinions which they have expressed on the Commission's proposals to increase from 45 000 to 55 000 tonnes the quantity of butter-oil to be used for purposes of food aid. As is well known, this request for an increase is not new. Unfortunately, hitherto the Council has not acceded to the Commission's request, with the result that the total quantity available for developing countries is still of the order of 45 000 tonnes, in other words totally inadequate to deal with the needs of the poorest countries.

As can be seen from the studies carried out by the FAO, the amount of calories available to the developing countries is only 65 % of the amount available to industrialized countries. Because of their high calorie content, milk-fats are particularly suitable for making up this shortage of calories, the more so as butter-oil is easy to use and has no dangers deriving from so-called secondary effects. The experience of recent years shows that this product is more and more appreciated by the countries in question. On the basis of these considerations, the Commission insists on asking for an increase in the quantities of butter-oil intended for the poorest countries, both this year and in coming years, and is pleased to note that Parliament supports this request.

President. — The debate is closed.

The vote will be taken during the next voting time.

19. *Third United Nations Conference on the Law of the Sea*

President. — The next item is the report by Mr Gillot (Doc. 1-725/79) on behalf of the Legal Affairs Committee on the need for and definition of a common position for adoption by the Member States of the Community at the Third UN Conference (9th session) on the Law of the Sea and on the participation by the Community in its own right in the agreements to be concluded at the end of the Conference.

I call Mr Gillot.

Mr Gillot, rapporteur. — (F) Mr President, ladies and gentlemen, the ninth session of the Third United Nations Conference on the Law of the Sea opened on 3 March. Both the scope of its work — the establishment of the legal *régime* for more than 70 % of the surface of this planet — and the number of participants — about 150 states — make this conference definitely one of the most important of this half century. The official goal is for the states to adopt a single international convention covering all aspects of the use of the sea, for whatever purpose: economic, military or scientific. It was not possible to achieve this in the first eight sessions, but thanks to the work of the Conference, the international Law of the Sea has undergone a radical change after centuries of resistance to reform.

The traditional Law of the Sea was based on the concept of freedom; in the name of this freedom, almost all the world's oceans were placed under the *régime* of the high seas, areas of sea in which ships of any state were free to navigate, to fish or to undertake scientific research. The most important exception to this principle was the existence of territorial waters limited to three nautical miles, and another exception more recently introduced into international law related to the *régime* of the continental shelf, where the coastal state had sovereign rights over exploitation and exploration.

This traditional Law of the Sea proved unable to cope with the rapid development of fishing and mineral extraction techniques, which seemed likely to result in a decrease in numbers, or indeed in the disappearance, of certain species and posed the problem of the delimitation of the continental shelf.

Finally, uncontrolled freedom in the exploitation, which has now become possible, of polymetallic nodules in the ocean deeps seemed likely to result in a monopoly by some industrial countries.

The radical reform affecting the Law of the Sea originated in the objections raised by the Third World countries, which challenged the traditional concept of freedom and are demanding the introduction of new law based on the organizational principle concerning the appropriation and exploitation of sea areas. Lastly, a new and major concern entailed further change: the protection of the marine environment, which is particularly threatened by the development and conditions of hydrocarbon transport, too often the cause of unacceptable marine pollution.

In this context, the interests represented at the Conference gave rise to two sorts of division: the first between the great industrial maritime powers and the developing countries (group of 77); the second, between the coastal and land-locked countries.

While the wishes of the latter have scarcely been considered, there has, on the other hand, been a compromise between the Third World countries and the

industrialized countries on the extension of the rights of coastal states over the sea areas around their coasts: limits of territorial waters extended to twelve miles and establishment of a so called 'economic' zone 200 miles wide in which these states would have sovereign rights confined to the exploitation of resources. In exchange for these rights, freedom of navigation would be guaranteed in this economic zone and in the international straits.

On the other hand, the discussion on the exploitation of the deep sea bed has reached deadlock; the system designed to be operated in parallel by the Enterprise of the future International Authority on the one hand and the states and private enterprise on the other has in fact been challenged by the Group of 77, which wants a single system in which the International Authority, which they would control thanks to their automatic majority, would be given wide powers. This deadlock is now the major obstacle to the successful conclusion of the conference.

The Member States of the European Community and the Community itself are directly concerned by the work of the Conference, and on 13 May 1977 the European Parliament already adopted a position on Mr Bangemann's comprehensive report dealing with these problems, but the recent opening of a new and possibly decisive session of the Conference makes it necessary for this Parliament elected by universal suffrage to reexamine the situation and to take up a clear, definite position. It was at the instigation of the Christian-Democratic Group that the four competent committees got down to work so that this House could adopt its position and make it known before the opening of the ninth session. I deplore the fact that the crowded agenda for the last plenary part-session did not allow this.

The main aims of the motion for a resolution which has been submitted on behalf of the Legal Affairs Committee, as the Committee responsible, are: — to point out the prime importance of problems relating to the Law of the Sea and to define what is at stake at the Conference not only for the industrialized countries and the Third World countries, particularly those with which the Community is associated through the Lomé II Convention, but also for the Community itself and for its Member States; to define the legal basis and procedures for Community action and to set out the prerogatives and areas which come under the jurisdiction of the Member States, on the one hand, and of the Community itself on the other.

It points out the need for the Community to participate in its own right in the agreements to be concluded in areas in which the Member States have transferred their sovereignty to the Community and the need for Member States to coordinate their action on other questions, even when these are not within the scope of the EEC Treaty.

President

Finally, the motion lists the problems facing both the Community and the Member States at the Conference. It states or restates the common positions of the Member States, omitting any reference to problems which are irrelevant to the work of the Conference or unnecessarily contentious.

It specially mentions:

- the need for a balance between the concepts of appropriation and of freedom of navigation, exploitation and research;
- the major problem of the International Sea Bed Authority. It is essential that the Community should participate effectively in this Authority. Its powers must be clearly defined and strictly limited and its enterprise must not be subject to a privileged regime;
- lastly, the adequate control of marine pollution, which current events are, unfortunately, constantly bringing to our attention. It is imperative that this urgent problem should be the subject of appropriate international provisions and very strict controls, particularly on oil tanker traffic.

These are the main considerations which guided me, as rapporteur, and the Committee responsible. Before I finish I would like to point out a purely formal error at the end of paragraph 10. In the last line the reference to the forwarding of the resolution to the chairman of the Third UN Conference should be deleted because this is not customary and might make the task of the Community representatives more difficult.

I therefore request that the vote be on the text before you, minus the words 'and to the chairman of the Third United Nations Conference on the Law of the Sea', that is, the end of paragraph 10.

Finally, I feel it should be mentioned that the observations of the other committees referred to for an opinion were taken into consideration.

The Committee on Economic and Monetary Affairs expressed its agreement with the principles set out in the report of the Legal Affairs Committee and intends to submit a specific report on the economic aspects of the exploitation of the sea bed to this House before the summer. The concerns of the Committee on Transport are incorporated in the motion for a resolution. Lastly, the opinion of the Committee on Agriculture is taken up in the motion as far as protection against pollution is concerned. With respect to the proposals on fisheries policy, the Legal Affairs Committee considered it appropriate to include these in an annex, which is also subject to the vote of Parliament and has of course the same authority as the resolution itself.

In concluding this statement, may I express my hope that, as in the Legal Affairs Committee, which approved it unanimously, there will be general agreement in this House on a motion for a resolution which

tries to take account of the legitimate concerns of the Community and its Member States in this crucial problem, which goes far beyond ideological or political differences.

President. — I call Mr Megahy, on behalf of the Socialist Group.

Mr Megahy. — Mr President, on behalf of the Socialist Group I would like to congratulate Mr Gillot on the clear, comprehensive summary he has given of an extremely complicated and intricate matter, the Convention on the Law of the Sea. If due regard were given to the prime importance of this subject for the future development of this world it would not, perhaps, have been scheduled for this time of the evening. I appreciate that in terms of the competence of the Community, it may not be the most important subject; but certainly in terms of national cooperation, of trying to deal constructively with the many problems of the sea, then this must rank as one of the most important topics which we have considered.

It was, I think, rather jokingly said in the Socialist Group when I was asked to be spokesman on this subject, that the reason for it was that if you lived anywhere in the United Kingdom you must be an expert on the Law of the Sea. Well I live in West Yorkshire, about as far as one can from either coast! I can certainly speak as an international lawyer, however, and I think it is very interesting to note that as regards the development of the Law of the Sea, my one nation has been intimately concerned with both aspects of this — that which Mr Gillot referred to before, dealing mainly with freedom of navigation, and that which is preoccupying the Conference on the Law of the Sea which has been taking place for the last six years, which deals essentially with the way in which the natural resources of the sea may be exploited. I think that increasing attention is being given to the vast resources of the seabed which are capable of being exploited, and to the necessity to find international agreement on the ways in which this can be done.

I think we have seen a remarkable example of consensus politics during the last six years, when something like 150 nations have been meeting in the United Nations, attempting to hammer out, not by majority vote but by reaching a consensus, the very big differences that exist between them, between the industrialized and the non-industrialized world, between the coastal state and the non-coastal state, in a search for a common agreement.

Mr Gillot did say that he hoped this House would receive his report unanimously, as the Legal Affairs Committee did, and would send it to the Council. It is not the intention of the Socialist Group to move any amendments to this document. I myself would say that I find it highly acceptable, but I would add this caveat:

Megahy

there may well be differences of emphasis at various points in the report that we would like to make, without necessarily disagreeing with the formal text. And here I should like to mention one or two points which I think ought to be highlighted.

One of the points raised in this document concerns support for the EEC itself to be a signatory to the final Convention, something that is fully supported by this House. I am not always seen in this House to be an enthusiast for extending the competence of the EEC, but it most certainly does seem logical that if the various nation States of the Community have surrendered part of their sovereignty to the EEC, one cannot obtain a satisfactory Convention which does not involve the signature of the EEC itself in those aspects, and only in those aspects, of course, which concerns the Community as such, leaving other matters to be dealt with by the nation States.

There is just one question, not so much a categorical statement, that I would like to raise as it interested me on looking through the text. It concerns the kind of procedure that ought to be used with regard to disputes. Near the end of Mr Gillot's explanatory statement he refers to the fact that the EEC should choose only one of the four methods of settling disputes which were mentioned because, he asserts — and he well may be correct in this, I am not necessarily challenging it — for example, the International Court of Justice would not accept the EEC as being within its competence. I would be interested to hear whether or not it would be possible finally to get the 150 States to accept the EEC as a party to the Convention; and whether it would not also be possible, having obtained that much agreement between the nation States, to get a further agreement that all of the methods of arbitration open to the other nation States would also be open to the EEC. I realize that there may well be practical reasons why that could not be done.

Turning to the point that Mr Gillot mentioned, which I think is tremendously important, that this Law of the Sea Conference represents a dialogue between the developing and the industrially developed world, I think that one of the important by-products of this conference has been the contribution that it has made to getting the various nation States of the world in different degrees of development round the table to look at and to solve joint problems. I would hope that the way in which this has been carried out over the years will be an example to us in many of the other problems which we will be facing in future.

With one part of the comments of Mr Gillot I should like to take issue. That is his reference to the work of the International Seabed Authority, where he says that the work of this authority must be strictly limited. I would hope that its work is not so strictly limited, Mr President, as to make it impossible for it to carry out its functions effectively. I recognize, of course, that as in most of the matters that have been discussed so far, agreement is only possible by means of compromise,

and that in the beginning there were very considerable differences between the Third World and the industrialized countries about the nature and extent of this Authority and the powers that it should wield. Whilst I accept that the result of that compromise is that there should be freedom for the enterprise itself and freedom for other bodies to act, I think that it is important to recognize that no dual system of this kind could function if the seabed enterprise were not to possess the technological and financial capacity to function effectively as an organ of exploration and exploitation. We should see that this body does have sufficient powers not only for this purpose, but also to allay the fears of many of the developing countries that the western industrialized States may be trying to carve up, as it were, the exploration of the seabed to their own advantage. I feel it is important, therefore, that this body should have sufficient powers to operate properly on an international scale.

One of the significant features of the Conference has been the development of the exclusive economic zone, and I would welcome the attempt in Mr Gillot's report to strike a balance between the rights of the coastal States to prevent, reduce and control pollution and to regulate marine scientific research, and those of other States who are anxious to advocate free access to waters.

The Socialist Group in particular, and I believe that other of my colleagues will mention this, welcomes the emphasis on the protection of the marine environment and the need to ensure that there are effective powers, both in the coastal States and in the international authorities, to deal with questions of the marine environment. Although this is mentioned in the report, it could perhaps have been more strongly emphasized.

Those are the major points I wanted to make. Of course, as the Conference has been going on for six years, a last-minute intervention by this Parliament will not necessarily make a major contribution to the solving of difficulties. Nevertheless, I think that it is right that Parliament, which after all comments on practically every matter that concerns this planet, should make its contribution to this very important subject, because as a group of nations we are very much concerned with the kind of decisions that are taken here. They are going to be far reaching decisions: they are going to affect us industrially, politically and in many other ways. I hope that the representatives of the Commission who are at this moment in the United Nations looking at this matter, will take to heart the points that I have made and that within a year or two we will see the satisfactory conclusion of a United Nations Convention guaranteeing freedom of the seas and laying down an effective international regime to deal with the research, development and exploitation of the seabed resources.

President. — I call Mr Janssen van Raay to speak on

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behalf of the Group of the European People's Party (CD Group).

Mr Janssen van Raay. — (NL) Mr President, I should like to congratulate Mr Gillot, as I already have in the Legal Affairs Committee, on the splendid work he has done and his excellent legal report on the Third Conference on the Law of the Sea in America.

Unfortunately, I must follow up these friendly words by making for the second time today, some rather acerbic comments on ourselves, the European Parliament. During the debate on the ASEAN cooperation agreement, I expressed, on behalf of the Christian-Democratic Group, my regret that, although the matter had been on the agenda, before the signature of the Kuala Lumpur agreement, we ourselves had — to my mind, wrongly — caused it to be postponed. We — that is, the Legal Affairs Committee and the three other committees — have all been in a hurry to get the Gillot Report ready by the beginning of this conference. Here again, we have — in our perhaps understandable parliamentary zeal — got involved with world problems which in fact lie outside our sphere of competence. As a result, we have neglected to keep up to date on things which are our concern.

At the end of his speech, Mr Megahy pointed out that, when a conference has been going for six years, a last-minute intervention may not have much effect on the final result. Strictly speaking, he was quite right, but the aim of those who tabled this motion for a resolution was first and foremost to put pressure on the nine Member States to formulate a common Community position. Viewed in this light, there is indeed some point in the motion for a resolution, as is particularly clear from the text of the motion itself.

Before I proceed any further, let me say that the Christian-Democratic Group will be voting for this motion for a resolution. So much for my first point.

There are, however, a number of differences between the text we adopted unanimously in committee and the original motion for a resolution, and my Group regards these differences as a step in the wrong direction. We shall refrain from tabling any amendments, and we shall be voting for the motion as it stands, but we regret that the final text of the resolution omits what the original text had to say about close cooperation with the United States.

I should like to point out to the Member of the Commission that we for our part would welcome this cooperation.

This is not so much a political consideration as recognition of the fact that the United States of America, just like the Member States of the European Community, has important shipping interests. The fact is simply that many of the other countries taking part in this

Conference on the Law of the Sea do not have such worldwide shipping interests. The point we wish to emphasize is that freedom of navigation through straits must be maintained. That is a vital interest which the Member States of the European Community share with the United States of America, among others.

We are particularly conscious of the fact that this Third Conference marks the end of the era of my famous 17th century compatriot Hugo Grotius. It is thanks to the principle he formulated in the standard work *Mare Liberum* that the seas — unlike airspace — have in fact always been free, and we have all profited enormously from this.

While I appreciate that the era of Hugo Grotius is now past, this does not mean to say that we should give up our determined efforts to safeguard what remains of the principles he set out. What I have in mind in particular — although I am sure that Mr Klinkerborg will be referring to this point a little later — is what the Committee on Transport says in its opinion about straits which are of vital importance to our economies and thus to our prosperity. In this respect, we must be unanimous in our determination to see that freedom of navigation is maintained and that we do not become dependent on sovereign States adjacent to these straits.

A second point that was deleted from the original text of the motion for a resolution was the reference to the International Labour Organization. We regret this omission too. We believe that some attention should be devoted to the working conditions of the organization concerned. Here again, the fact that this paragraph has been omitted does not mean to say that nothing should be done on this point.

Looking through the rest of the motion for a resolution, I do not think I am going too far in saying that what is at stake here is the very future of mankind and the preservation of shipping as we know it.

What we are concerned with here is of the utmost importance, not only for Europe and the United States but also for all those countries which are in a position to exploit the natural resources in the seabed. That is why we wanted to bring this matter once again to the attention of this House via Mr Hoffmann's motion for a resolution. That is why we wholeheartedly support this motion, and that is why — as I said — we shall be voting unanimously tomorrow in favour of it.

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

Mr Moreland. — Mr President, speaking on behalf of the European Democratic Group — or I suppose, looking at the benches around me, I could almost say,

Moreland

speaking as the European Democratic Group, having taken over the Liberal Party as well — I should like to congratulate the rapporteur. We intend to support this report wholeheartedly, and if I have a few words of criticism they are really of minor importance when compared to the overall praise we should like to give.

I share with Mr Megahy one unique thing this evening, and that is that both his and my group happen to have chosen as spokesman a Member of this Parliament who represents an area as far away from the sea as is possible in the United Kingdom. Perhaps this is the best credential for speaking this evening.

I want to speak primarily about the proposals relating to shipping. I understand from this report — and I quote from page 32 of the English edition — that its main object is to emphasize the need for a common position at the Law of the Sea Conference. This is a point that I would like the Commission to develop when it, as I hope it will do, responds this evening, because it is my understanding that the competence within the Commission on the subject of shipping is very limited when compared with the competence in the Member States. I must therefore emphasize that when it comes to the subject of shipping, I hope that the negotiating will primarily be done by the Council rather than by the Commission. That is not, of course, to say that the Commission should not build up its own expertise on shipping, but perhaps this is a little premature at this time. The whole constitutional position of the Commission in these negotiations and indeed in its relations to the future authorities that might be devised is, in fact, an area of great uncertainty.

I noticed with interest that in paragraph 34 the rapporteur emphasizes that the main problem for the Community in relation to the proposed International Authority is exactly how it would participate in the institutions of the proposed Authority and its operational organ, the 'Enterprise'. Perhaps this is a matter which the Commission could enlighten us on.

Naturally, my own country has a dominant interest in shipping as the leading shipping country of the Community, and there is perhaps a temptation to say that we might on occasion be a little worried about the common position, in that we might be working on the basis of the lowest common denominator and downgrade the expertise that we obviously have in the United Kingdom. If I may put it this way, I wonder what negotiating on the Law of the Sea might be like under, shall we say, a Luxembourg presidency; that might well seem a questionable procedure to us. This is, I think, an area that does need to be tidied up, not just in relation to the present negotiations but also to future representation on the constitutional bodies that may be devised.

I strongly support this report in its emphasis on the right of navigation. This is a very important principle, which is going to be under pressure from those in the

Member States and elsewhere who are obviously going to want to lay down environmental limitations. Once the Law of the Sea Conference has come to some conclusion, I hope our negotiating position will be that any change due to environmental pressure cannot be decided on by an individual coastal state, but must be agreed by the appropriate authority: in this case I presume it would be the International Maritime Government Organization.

There are two other matters I want to touch on this evening. The first, in connection with shipping, concerns the approaching membership of Greece. Obviously, one of the subjects we are going to be concerned about at this conference is the whole question of safety at sea, and I think we have to face the fact that the reputation of Greek shipping is not exactly of the best as regards safety at sea. We must therefore not let down the rest of the world by allowing a country within the Community to have bad regulations concerning safety at sea which might endanger other independent States. Having said that, I want to make it quite clear that in this connection we very much welcome the entry of Greece into the Community because, if I may say so as a representative of the largest shipping nation of the Community, it does give us and the whole subject of shipping a little more weight within the Community. This brings me to my final point.

I was very pleased to see that the opinion of the Transport Committee touches upon the question of access to Community shipping waters for the fleets of the Comecon countries. The way in which the Comecon countries have undermined our shipping is an unqualified disgrace, and it is time the Community fought back at the Comecon countries, who are very deliberately undermining not just our shipping but our road haulage and our whole transport network through deliberate undercutting and other undesirable practices. When we talk of rights of navigation within the Community, I wonder how many rights of navigation there are around, shall we say, the coasts of the Comecon countries. So this is a matter where we have to be on the alert.

I understand — and perhaps again the Commission can clarify the situation — that on this whole question of the balance between rights of navigation and the natural concern of countries to have some coastal environmental protection, there is now substantial agreement at the Law of the Sea Conference and it is unlikely that this subject will be considered in depth again. The section of our report relating to transport is therefore perhaps to some extent outdated. I say that with pleasure, because if there is agreement this is a very welcome step indeed.

We support this report. I must say that I disagree with Mr Megahy in that I would like to see the EEC as a signatory to the Law of the Sea Conference, because I

Moreland

think this is yet another case where the countries of Europe working together can achieve more for the individual countries of Europe than if they work separately. It is a clear case where the existence of the Community can be of benefit. We are, in other words, working for the Law of the Sea and not for the law of the jungle.

President. — I call Mr Chambeiron.

Mr Chambeiron. — (F) Mr President, the Communist and Allies group attaches great importance to the objective of a comprehensive convention being pursued by the Third Conference on the Law of the Sea which opened on 3 March in New York.

This involves the possibilities opened up by technological progress with regard to prospecting and exploiting the sea bed, which is not, however, accessible to all countries; it involves defining governments' authority over the various zones, in particular the respective roles of territorial waters, the high seas and the exclusive economic zone; there is also the question of joint management of the high seas, regarded as the common heritage of all mankind, and lastly a multitude of questions relating to transport and security problems, such as the possibility of creating demilitarized peace zones — which we advocate for the Mediterranean and the Indian Ocean — or again the problems of pollution. You are aware, Mr President, of the importance we attach to this political problem, since it was the timely initiative taken by my colleague Mrs Leroux which led this House to agree to hold a debate tomorrow morning on the latest onslaught of pollution to afflict the coast of Brittany. For all these reasons, reforming the law of the sea is clearly a very important stage in developing new international relations and in particular a new international economic order.

In this field of the law of the sea, as in the field of energy, or raw materials, we are convinced of the need for changes to grant the developing countries their rightful place and gradually move towards the extension of national jurisdiction on the part of coastal States to the zones adjacent to their coasts, at the expense of the old rule of the freedom of the seas, which is no more than the freedom of the strong to impose their law on the weak.

In view of the working methods that have been tried, involving the grouping together of States with varying interests, and in view of its objective of a comprehensive convention, this Conference confers on each State full responsibility for formulating demands which fit in exactly with its individual characteristics. Obviously France, because of the form of its coastline, with its 5 500 km of coast, because of the structure of its industry, 30 % of which is involved with the sea, particularly ship-building and ship-repairing — which it seems unlikely the Community can defend the deve-

lopment of at a conference in New York while organizing the running down of this industry in Brussels — and lastly because of the pattern of its external trade, three quarters of which is carried by sea, has major interests to defend in the context of this Third Conference.

We know how decisive our contact with the sea is in ensuring our economic independence, and we shall not slacken in our efforts to defend the existence and development of shipping under the French flag, which is threatened by the Community's restructuring policies and by the policy of enlargement. We regard it as most important that the specific nature of each country's own demands should be put forward clearly, without being restricted by the fragmentation of authority or of responsibilities which would result if the Community were to be represented at the Third Conference on the Law of the Sea and to speak on behalf of the nine Member States. Moreover, the marked lack of enthusiasm shown by a large number of countries with regard to participation by the Community alongside the national governments demonstrates the danger of debasing the commitments entered into by our respective national governments in the eyes of the international community.

Experience has shown that it is unrealistic and dangerous to deny national realities. Indeed, national realities are objectively of great importance. In the course of the Caracas conference in 1974, common-interest groups were formed on the basis of the objective interests of particular States. We thus saw the United Kingdom joining the group of 25 coastal States including Canada, Australia and Chile. The adoption by the countries of the Community of a common position at each stage of the negotiations, as proposed in Mr Gillot's report, can only mean restricting the scope for negotiation offered by the comprehensive nature of the future convention and accepting the lowest common denominator.

Finally, I should like to stress that I suspect this proposal conflicts with the provisions of Article 116 of the Treaty of Rome, which does not seem to me to authorize the Community to take joint action in connection with such international conferences. For this reason we are unable to support the conclusions of the Gillot report.

Personally, I must say that if I had at any time been tempted to vote in favour or to abstain, certain speeches with their NATO-oriented overtones or certain remarks which reminded me of the Cold War would have persuaded me otherwise. This is why we shall not be voting for Mr Gillot's motion, as it gives the Community new powers which we are not prepared to grant.

President. — I call Mr Klinkenborg to present the opinion of the Committee on Transport.

Mr Klinkenborg, draftsman of an opinion. — (D) Mr President, ladies and gentlemen, I should like to begin by saying how much the Committee on Transport regrets the fact that we should now be discussing this subject on 13 March, when it has been known for a long time that the 9th session of the Conference on the Law of the Sea would be reopening in New York on 3 March. This too may be an indication of how the European Parliament sees its role, and I should like to associate myself with the criticism voiced by Mr Seeler, who came to the same conclusion in another report. A lot of things that are treated as a matter of urgency here seem to me to be no more than pseudo-urgent, and because of all the 'urgent' business, a lot of the things we should be talking about are in fact neglected. By so doing, we are effectively missing an opportunity to take a stand on the important questions which it is up to the Community to deal with in the interests of the people of the Community.

I should therefore like to express once again the Committee on Transport's regret that, despite a procedural motion, it was not possible to get this subject discussed during the February part-session. That would have been the last chance before the 9th session of the Third Conference on the Law of the Sea got under way to reiterate the views of the European Parliament on the questions down for discussion at the conference. Given the situation in Europe, the European Parliament's views inevitably differ on some points from those of the Member States.

The opinion I am here to present today is concerned exclusively with the transport aspects of the current Conference, and it is against that background that I should also like to comment on what has been said so far in this debate.

Firstly, let me point out most emphatically that the opinion of the Committee on Transport was arrived at unanimously.

Secondly, Mr Moreland knows very well, as a member of the Committee on Transport, that the committee has long been deeply concerned with the question of shipping safety, and that we have repeatedly pressed the Commission to give us answers to the questions which have emerged from our discussions in Committee.

Thirdly, the most important question the Community will have to tackle and resolve in the next few years is that of its relations with the State-trading countries. I take your point, Mr Moreland, but we must be extremely cautious in our approach to this problem, and we must tackle each point on its merits. This is not something we can deal with at one fell swoop.

It will take a great deal of hard work from the specialist committees before we can arrive at a policy which will do justice to the magnitude of this problem. I say this just by way of an aside since, as I said earlier, my

job is simply to present the opinion which is concerned with the transport aspect of the Conference on the Law of the Sea. I shall be brief, Mr President, because I am not convinced that what I have to say will be improved by constant repetition of this or that point.

We realize that shipping is the most difficult aspect of all in the search for a common European transport policy. The Committee on Transport's demands, set out as conclusions to the committee's opinion, for freedom of navigation and minimum restrictions on navigation in territorial waters and contiguous zones are, in the committee's opinion, indispensable conditions which the governments of all the Member States could, and indeed in their own interests must adopt. Consequently it is only logical for us to take the view that the Council of Ministers should authorize the European Community to take part in the Conference on the Law of the Sea. It is of prime importance to the merchant shipping fleets of the European Community that the Community as such should have a joint negotiating position to defend its interests in the formulation of documents with due regard for the freedom and security of shipping, energy conservation and the protection of the environment. Because of its economic strength and its dependence on trade, the European Community is highly vulnerable to a restrictive policy on shipping. The Community's shipping fleet accounts for almost 20 % of world merchant shipping — in terms of tonnage — and this share will be increased considerably by the accession of Greece. The Community therefore has a duty to protect its own interests, not only for reasons of transport policy, but also in view of the volume of its external trade. The need is all the more pressing because the maritime interests of the European Community have never before been so seriously threatened by the practices indulged in by certain maritime nations. Shipowners are having to contend with dumping, flag-of-convenience fleets and merchant fleets from the State-trading countries. The European Parliament has always, I think, been aware of this problem, and the Council would have been well advised to pay more attention to the many reports which have been produced on the subject.

In view of the terms of reference of this opinion, there is no need for me to go into the details of this complex subject yet again, especially as the members of the Committee on Transport gave high priority to the whole problem of shipping in their plan of work drawn up on 30 October 1979. We would simply reiterate that the Community's shipping interests must be safeguarded within the framework of the Third Conference on the Law of the Sea, and the first step must be for the Member States of the Community to show more solidarity. In specific terms, so long as the Commission is not responsible for conducting the negotiations, that means there must be regular consultations between the Member States and that a common position must be worked out on every single point, so that the Community can speak with one voice at the Conference. In the opinion of the Committee on

Klinkenberg

Transport, our aim must be to make the Community as such — as well as the individual Member States — a party to any future international conference on the law of the sea. The committee endorses Mr Gillot's report. As I said earlier, its opinion was reached unanimously, and we would beg the House's approval for it.

(Applause)

President. — I call Mr Ferri.

Mr Ferri, chairman of the Legal Affairs Committee. —

(I) Mr President, ladies and gentlemen, I am aware that at this late stage in the debate I cannot presume too much on the patience and the attention of those present in this House. But as I believe that everyone present here now, or at least the majority, are keenly interested in the problem which we are dealing with, I shall ask for a few more minutes of their attention.

I had intended to speak very briefly in order to give credit first of all to our rapporteur, Mr Gillot, for the excellent work he has done in committee and which he set out before us so brilliantly a short while ago in this House. Similarly, I wished to give thanks to everyone who has spoken, in the hope, which I too shared, that the conclusive vote on this report might be unanimous. But the speech which we listened to a short while ago on behalf of the French members of the Communist and Allies Group which was made by our friend Mr Chambeiron, obliges me — I think — precisely because of my capacity and my responsibility as chairman of the Legal Affairs Committee, to provide some clarification.

Mr Chambeiron is raising very sensitive issues when he says that he only wants to give us some idea of the contents of the report and one or two parts of the resolution which is justified by the report, but that in fact there is a definite tendency to give the Community responsibilities and tasks which go beyond the text of the treaties and which in a certain sense would undermine the independence and the autonomy of the individual Member States and the individual nations in the extremely difficult and sensitive negotiations which have been going on for some years at the Conference on the Law of the Sea.

Ladies and gentlemen, I want to make it quite clear — what is more this is stated very clearly in the report — that the rapporteur and, with him, the Committee, have taken no account of the differences between the various political positions, because it is well known that even within the political groups themselves — I think this is particularly true of the group to which I have the honour of belonging and we must not indulge in the weakness of attempting to hide the fact — there exist, with regard to the outlook for future development in the Community, significantly different atti-

tudes. There are some people whose concern is to adopt a rigorously restrictive interpretation of things, according to which we should not take the smallest step that goes beyond the letter of the treaty; there are others who believe in taking further steps towards European integration, not just as regards future amendments to the treaties but also as regards interpretation and application of the treaties themselves.

Subject to these differences, I wish to say that in this case we all reacted to the rapporteur's proposal from a point of view of rigorous respect for the letter and the spirit of the treaties. There is nothing in this resolution which is designed to provoke or to call for an increase in Community responsibilities to the detriment of the responsibilities of the Member States. What is more, I hope I may be allowed to point out that the fact that Mr Gillot belongs to the group of European Progressive Democrats ought, from this point of view, to put even the most sensitive and fastidious consciences at rest: a French representative of the group of European Progressive Democrats is hardly likely to suggest or recommend, let alone draw up, increases in Community responsibility to the detriment of the national states. In other words, there is absolutely no truth in any of this. I say this with complete frankness and cordiality, for the benefit of Mr Chambeiron.

What lies at the bottom of this request, which is repeated in our resolution, that the Community, as such, should be allowed to take part in the Conference on the Law of the Sea and subscribe to its conclusions? There is the simple fact that in the context of the treaties at present in force the Member States have abandoned various aspects of their sovereignty and have handed over various responsibilities to Community bodies. Consequently, as a result of a juridical principle which cannot be called into question, their responsibility in certain respects has been transferred to another body, namely to the Community. That is all there is to it.

Far be it from us — because it would be pure madness — to ask that the Conference on the Law of the Sea should be signed by the Community only. This is quite clear: the Member States remain responsible for those matters, which moreover still make up the majority, that are reserved for the sovereignty of the nation states; the Community on the other hand is responsible for those matters which have been assigned to it. And I am not trying to mislead you, because all this is clearly spelt out in the report. When we come to the problems of fisheries, transport, the fight against pollution and those problems which in a commercial context would derive from the hypothesis of the exploitation of the mineral resources of the sea-bed, we are entering a sphere, which, according to the treaties, according to the interpretation of them that has been made by the European Court of Justice, and by this Parliament itself, is the preserve of the Community.

This, therefore, is the purport of our resolution; we

Ferri

have no intention of straying from it; here is the juridical and political basis of these proposals.

Ladies and gentlemen, I should also like to say that I have heard many people express the regret that this discussion is taking place at a time when the conference has already begun. Obviously, it would have been preferable to be able to discuss the topic and vote on it during the February part-session. However it is not a tragedy if we can only get down to it today. If only the conference were about to come to an end! That would mean that the serious problems, which are still open, were about to be solved, but we know that more time will be needed. So our attitude, though it is not aiming at any unattainable goals, which in any case would be illusory, is justifiable and appropriate. It is in line with the attitude that Parliament adopted — and this is not something dating from yesterday as the rapporteur reminded us — when it voted a resolution dated 23 May 1977 relating to a detailed report by Mr Bangemann, in which we find substantially the same ideas and the same motives that have been expounded here today in the Gillot report, which — permit me to remind you, ladies and gentlemen — constitutes an extremely balanced view of things compared with the clash of national interests and present problems.

It has been said — and allow me to repeat this as a conclusion to my few brief comments — that significant progress has already been achieved. An agreement has already been reached in terms of customary law on some problems, even though they have not been the subject of particular conventions and such an agreement is binding in international law: for example, the 12 mile limit for territorial waters and the 200 mile limit for exclusive economic space. The problem that really remains open is the problem of the sea-bed because, along with the conclusions which have already been achieved, we have safeguarded — and our resolution provides an express record of this — the principle of freedom of navigation even in straits, a subject of long standing polemics and disputes in the international law of the sea.

What is the core of the problem of the sea-bed? The question is to reconcile the demands and the expectations of the developing countries. The poor countries, the countries of the Third World, with the exigencies and the interests of the industrialized countries. What is the role that the Community ought to play in this conflict of interests? It must be a balancing role, a role inspired by wisdom, which will make these legitimate demands its own as far as that may be possible. This conference started out from a great idea, it was inspired by great expectations — which were perhaps, like all great expectations, more generous and more ample than may be consistent with reality — in other words, that these new resources, which could only be considered susceptible of being mined relatively recently, these sea-bed resources, should be organized as the common birthright of humanity in such a way as to channel the income from them to the developing

countries, to those countries that need to improve their living conditions and their living standards.

This will not be an easy thing to do, but I believe — and this is the purport of our resolution and this is the line that the Community has followed — that here we must combine the realization of a supranational authority, which would follow these guidelines with the indispensable support needed to achieve concrete results, with the technology and the resources of the industrialized countries, which are already capable of beginning the exploitation of these resources.

We know that though the conference is, unfortunately, still dragging on, there are already some countries which are thinking about devising national laws to protect and control the exploitation of the sea-bed by nationalized companies. This is also the background to the hopes that we may be able to find a common position for all Member States as regards the topics that come within their jurisdiction. This is also legitimate; we are not talking about setting up binding rules; we are only saying: within the limits of what is right and reasonable, within the limits of what is possible and even in cases where the authority to discuss and stipulate has remained within the preserve of the national states, let us attempt to devise common attitudes. Here I see nothing that infringes the Treaty. On the contrary, here once again we are acting in accordance with the letter and the spirit of the Treaty.

This, then, ladies and gentlemen, is why I believe that even against the background of the different points of view, all legitimate and useful which have been expressed in this House by those who have introduced the votes in favour of the motion by the various Groups, we can still vote for this resolution with absolute peace of mind and with clear consciences, in the conviction that Parliament is remaining within the limits of its own powers and is not setting itself aims which exceed its authority but, on the contrary, intends to make a contribution which will help to show the way for the other Community institutions that are directly involved in this conference, just as it hopes to promote the achievement of an agreement which will certainly mark a significant stage in the development of international law and cooperation amongst nations.

President. — I call Mr Josselin.

Mr Josselin. — (*F*) A little over three centuries ago the system of enclosures was established which was to revolutionize agriculture, first in Britain and then in Europe. I believe that we are today witnessing a transformation on the same scale in the realm of the Law of the Sea.

Mr President, ladies and gentlemen, this is a vast subject which unfortunately we have only been able to touch on this evening. I hope we shall have the chance

Josselin

to come back to this subject with a little more time for discussion, in the light of a report at least as comprehensive as the one submitted by Mr Gillot.

It is a subject whose very title reveals all its complexity: 'the law of the sea' is in itself a contradiction, since up to now the rule has always been thought to be the freedom of the seas.

Everything about this subject also indicates that it is a splendid one for us in the European Parliament to discuss. This is certainly true as regards the geographical area it involves. Need I remind you that, if we calculate the size of the economic zone, the seas surrounding the European Community — and even more so in future with enlargement to include Spain and Portugal — make it the largest maritime region in the world: 22 million square kilometres!

It is also true as regards the multiplicity of subjects and of sectors involved. There is the fisheries question, and Mr Battersby was right to remind us how important this is and how much the huge problem of the extinction of certain species deserves our attention. Then there is the problem of transport by sea, and as one of the Members for Brittany I am unfortunately in a position to know how much caution must be exercised when it comes to transport. I will not go further into this question this evening, since, in addition to the motion for a resolution tabled by Mrs Le Roux, two motions which I have tabled will be discussed tomorrow morning. The major transport problem is of course that of safety. Then there is also the problem of research — and here too the rapporteur did well to emphasize the need for a pooling of our resources. And then again there is the huge issue of how to exploit the wealth of the sea bed.

When faced with all these questions we are forced to admit — I say this in all friendliness to the representative of the Communists and their allies — that they can only be tackled on a Community basis. I was among those who supported the proposal for the Community in its own right to be a signatory to the Convention, but I would have liked to make Community participation even clearer by choosing a number of representatives from our midst to go and represent, exactly as their national counterparts are doing, the European Parliament at this conference in New York.

Perhaps it is still not too late, as long as there are no budgetary problems. Since all the national parliaments have designated representatives to attend, why should the European Parliament not follow suit?!

In fact, over and above the fisheries question — and if we wish to have a Community policy on fisheries, then it is obvious that we must act as a Community in discussing the problems of fisheries on an international scale — there is the need for Europe to set an example in giving institutional form to the notion of the region

in matters relating to the sea. I mean that we must replace the conflict now opposing the 77 (the developing countries) and the industrialized countries, and that between coastal states and landlocked states, or coastal states and maritime powers, by the notion of the maritime region.

I would hope that within these regions multilateral cooperation might develop, enabling us to go beyond our present conflicts which, as we well know, are capable of preventing any progress towards accepting the rule of law in this matter.

What I would like is for the Community to be on the side of the coastal states. The notion of maritime powers, was, we must admit, based on the idea of force. I would like the Community to lead the way in defending the rule of law. And when I refer to the law, I use the term in its strictest sense. I must warn those amongst you who want to rely simply on common law against the example to be found in so many westerners: common law meant freedom, the right to the rancher to let his cattle run the farmer's corn and that sort of thing.

I would like us to give a proper legal dimension to this conflict. Common law can never give rise to an international authority founded on the principles of democracy; however, we cannot do without such an authority to ensure that the rules of the game are obeyed.

We would also warn the Community against the danger of seeing the sea bed taken over by the multinational companies (which is why we must have this international authority), as well as against the danger of transferring technology on the basis of our own needs rather than those of the developing countries, which is a major problem. For example, it should in fact be possible to process the nodules of various metals in countries near to where they are to be found — if not, what is the point of all our speeches on hunger in the world?

These are the few brief points I wished to make after the many which have already been made to encourage this House to adopt the Gillot report.

I too would like to say in conclusion that I hope — or more than that, I am certain — that this is a great task which can be guaranteed for the defence of the common heritage of mankind, for peace and — why not? — also more simply for the building of Europe.

(Applause)

President. — I call Mr Lyngé.

Mr Lyngé. — *(DK)* Mr President, as the representative of a country which is almost totally dependent on the sea, I must agree with the many speakers here this

Lyngø

afternoon who have said that this question of the law of the sea is very important. I will not speak at great length, I will merely very briefly draw your attention to a problem which I see was not covered by Mr Gillot's excellent report, and, as far as I know, has not received any official attention whatsoever in certain quarters, including the United Nations.

I am referring to the problem of the icecaps. Around the South Pole and the North Pole, the sea is covered with ice for the larger part of the year. The fact is that two thirds of the country I represent lies north of the Arctic Circle and a large part of the Community sea around Greenland is covered with ice for most of the year. This raises the following question. Is sea which is covered by ice for most of the year and is frequented by hunters, i.e. people who live from what they find on or under the ice, is this ice sea or is it an extension of the land which temporarily recedes? This is an extremely pressing problem for us. I should like to remind this House that the most northerly people in the world, the Polar Eskimos in Thule, are citizens of the Community and that their problems should be discussed here too.

The Canadian Government has, over the course of a few years, planned an enormous gas extraction project in North Canada and has started work on planning a project known as the 'Arctic Pilot Project' involving the extraction of natural gas off Bylot Island north of Melville Island and transporting it in tankers via the North-West Passage which is continually covered with ice. The largest tankers in the world will be used and, according to the current plans, they will be travelling along the west coast of Greenland through Community waters with a cargo of refrigerated, liquid natural gas with an explosive power which, according to experts, would correspond to that of the bomb used at Hiroshima. This is a very large undertaking which Canada has taken on.

Regardless of the fact that there will probably be no accidents of this kind, the implementation of a plan of this kind would mean that the Polar Eskimos' ice-covered areas would continually be ploughed up. Several people here today have mentioned the free right of navigation and said that this must be upheld. However, in view of the importance attributed to agriculture in this House, I think I might reasonably ask those here who understand agricultural matters whether farmers would accept a right of navigation which would mean that a tanker could come and plough through their fields, and the icecap in the most northerly part of the Community is to the Eskimos what a field is to a farmer. This is a problem which, as far as I know, has not been discussed at all.

I should like to request the Commission to set up an expert committee to look into this aspect of the matter and report to this House, the responsibility of which extends to the Polar Eskimos, the most northerly inhabitants of the world and Community citizens.

This is of vital significance to my country, and I shall say no more concerning the further consequences which could result from a negative outcome. We will leave this to a future occasion.

President. — I call Mr Giolitti.

Mr Giolitti, member of the Commission. — (I) Mr President, ladies and gentlemen, as we were reminded by Mr Gillot, whom I should also like to congratulate on the excellent contribution he has made to the problem which we are concerned with today, and as was also emphasized by the various speakers who have preceded me, this third United Nations Conference on the Law of the Sea is the occasion of wide-ranging negotiations, the aim of which is to re-define the rights of various categories of countries with regard to sea areas.

The evident and undeniable sluggishness with which these negotiations, which began in 1973, are progressing, can be explained in terms of the difficulty of drawing up general rules in an area where the interests of the various countries involved all clash with one another. The aim of the negotiations is to conclude the job of creating a new legal framework, valid for the whole world, to act as the basis for a new economic order in this vast and complex area. On the one hand, various marine interests must be safeguarded and at the same time the jurisdiction of seaboard states over the economic zone situated beyond their territorial waters, which are likely to extend to a distance of 200 miles, must be acknowledged; on the other hand, technological progress, by multiplying the possible uses of the marine environment, will make it possible for the states in question to take part in the exploitation of the sea-bed resources contained in the international zone. The negotiations are going ahead with the aim of concluding a consolidated text, whereas in 1958 and 1960 individual conventions were agreed upon, separated into the various areas connected with the law of the sea. The aim of arriving at one single convention cannot be separated from the need to achieve a consensus on the final text. A consensus has already been found in respect of one or two areas of the convention — I am thinking in particular of fisheries and marine pollution — but, as has already been pointed out here, the balance of interests is very precarious and any modification of this complex edifice could lead to a collapse. Nevertheless, the prospects facing us are in general positive. The international Community shows itself well aware of the need to succeed in devising a genuinely new law of the sea.

Since June 1976, the European Community and the Member States have made this great effort to participate in achieving this ambitious objective on the basis of the guidelines drawn up by the Council of Ministers. The steps taken by the Community are at present intended on the one hand to obtain acceptance of its rights to take part in the future conference in those

Giolitti

areas which come within its own remit as a community and, on the other hand, they are aimed at attaining common positions on the part of the Member States with regard to many of the topics dealt with by the conference. On various occasions the Parliament has made its own contribution to provide a favourable background for consultation amongst the institutions and the report that we are discussing today, which I hope will be approved tomorrow, confirms this reality, that is to say, this commitment and this contribution by the Parliament.

So much for the very general aspects of the matter. I should now like to give some detailed answers to the questions which were put to the Commission concerning one or two specific points. Concerning points 1 and 2 of the Motion for a Resolution, I should like to point out that a satisfactory coordination of the Community and the Member States in the application of the directives transmitted by the Council to the Commission on July 1976 resulted from the previous sessions of the conference. On the basis of these guidelines, the Community and the Member States have made an effort to arrive at a common position regarding each stage of the work, in particular in the following sectors: acceptance of the principle of the creation of an economic zone of 200 miles, extension of the continental shelf beyond the 200 miles, efficacy of the international sea-bed authority, representation of the Community in the executive bodies of the international sea-bed authority and in the operational bodies created by it, measures designed to prevent the creation of monopolies or dominant positions in the exploitation of the sea-bed; finally, a system of compulsory arbitration of disagreements and controversies.

With regard to point 5 of the resolution, let me remind you that the Commission and the Member States adopt a common position with regard to the safeguarding and the guaranteeing of freedom of navigation. The freedom is guaranteed on the high seas by Article 87 of the informal text of the Convention. With regard to territorial waters and the exclusive economic zone, the Community and the Member States have adopted a common attitude in order to see that the powers of control and sanction conferred upon the sea-board states are in harmony with the principle of freedom of navigation. In order to protect this principle, the Community and the Member States intend in due course to ratify the maintenance and the observation of the principle, by asking for it to be inserted into the preamble to the future Convention.

With reference to point 7, on the basis of the Council's guidelines of July 1976, the Council will ask to be allowed to participate, along side the Member States, in the management of the international sea-bed authority. The management of the common inheritance of mankind will be based on the principle of the so-called parallel system. This system is conceived with the aim of establishing non-discriminatory access to

the exploitation of the international zone, which may also be managed at the same time by the administrative body of the Authority, as also by private bodies or state-owned bodies based in the various countries which have signed the Convention.

As regards the sensitive and sometimes serious problem of pollution — point 8 of the draft resolution — let me remind you that the negotiations on this topic concluded with a consensus agreement at the conference and re-opening of negotiations in respect of this matter is not expected. The present text of the Convention sets out the ways and means of cooperation on a worldwide and regional scale, accompanied by the necessary guarantees for the Community and for its Member States.

Finally, a reference has been made to the problem of access to the international Court of Justice at the Hague. Apropos of this, let me point out that access to this court is limited to states, in accordance with Article 34 of the Statute of the court.

These, Mr President, are points which obviously do not go to the bottom of all the matters dealt with in this debate, but with regard to which it seemed to me that it was my duty and my responsibility to provide some further elucidation on behalf of the Commission.

(Applause)

President — I call Mr Gillot.

Mr Gillot, rapporteur. — *(F)* Mr President, I shall not talk for long, at this late hour, but I think I should reply to some of the observations which the different speakers have made. I welcome the broad consensus which has emerged from the different speeches and I thank the speakers who were so good as to praise the report before you.

I deplore all the more the attitude Mr Chambeiron has seen fit to take on behalf of the French Communists and Allies. In my second and very short statement, I shall give him pride of place, although I am not certain that he will like that. He mentioned the need to create demilitarized zones and quoted the example of the Mediterranean. I am not sure whether he is not, by this very means, creating areas which would be unprotected, and I am not sure whether he is not thereby creating divisions which might very well be regretted later. He was very supercilious on the question of national prerogatives. Mr Ferri anticipated me by pointing out that I could provide a certain guarantee in this respect as I belong to the Gaullist Group. Finally, I note with pleasure that the attitude taken by Mr Chambeiron, while inconsistent with those he takes on behalf of his Party in other areas, is such as to fully confirm my own idea of patriotism, which is not sectarian, but pragmatic, and which recognizes the needs of the Community when necessary.

Gillot

I shall now come, very briefly, to the remarks made by the other speakers, who were all so good as to say they approved of this report.

I note that, in the main, they put the stress on the differences in emphasis in the report. It is in fact a question — and this is the important thing — of striking a balance between the essential concepts of freedom of navigation, research and fishing, which should not be the freedom of the fittest, and the new concepts of appropriation, of pooling world resources and of recognizing and guaranteeing the legitimate rights of the developing countries. This balance is difficult to reach, but we must try to reach it. As the representative of the Commission said, this is an ambitious goal.

One of our colleagues feared that our contribution, coming perhaps at the eleventh hour, would have no effect. I believe that once determination is shown, as we shall show ours, it is never useless. Ultimately, it will have a noticeable effect. In conclusion, I would like to remind you of this saying, which seems very appropriate to me: it is not because things are difficult that we do not dare, it is because we do not dare, that they seem difficult. I hope that we shall demonstrate that we are capable of attaining ambitious goals for the good of mankind.

(Applause)

President. — The debate is closed.

The motion for a resolution will be put to the vote during the next voting time.

20. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, on Friday, 14 March 1980 with the following agenda:

9 a.m.:

- procedure without report
- vote on several requests for urgent procedure
- vote on two requests for early votes
- 10.30 a.m.: Voting time
- motion for a resolution by the Committee on Budgets on the budgetary timetable
- motion for a resolution by Mr Spinelli on air links with Strasbourg
- motion for a resolution by Mrs Maij-Weggen on discrimination against women
- motion for a resolution by Mr Penders on Zimbabwe
- two motions for resolutions on the oil slick in Brittany
- Seal report on trade with Cyprus (without debate)
- Seal report on negotiations between the EEC and Cyprus
- Joint debate on the Helms, Quin, Nielsen, Enright, Woltjer, Provan and Kirk reports on fisheries
- *End of sitting:* Voting time

The sitting is closed.

(The sitting was closed at 10.55 p.m.)

SITTING OF FRIDAY, 14 MARCH 1980

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IN THE CHAIR: MR PFLIMLIN

Vice-President

(The sitting opened at 9 a. m.)

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

I call Mr Delorozoy.

Mr Delorozoy. — *(F)* Mr President, what nearly happened just now did in fact happen yesterday, when the occupant of the Chair failed to notice me when I asked for the floor to speak against the request for urgent procedure in respect of the motion for a resolution tabled by Mrs Le Roux. The minutes say that I spoke on a point of order, but this is not entirely true. I did attempt to intervene — and at the right moment too — in order to point out that in fact the French authorities had acted entirely in accordance with their responsibilities.

President. — I have taken note of your rectification, which will, of course, appear in the report of today's proceedings.

The minutes of proceedings are approved

2. *Documents received*

President. — I have received

— a motion for a resolution tabled by Mr Blaney, Mrs Castellina and Mr Coppieters, pursuant to Rule 25 of the Rules of Procedure, on the violation of human rights in the Community (Doc. 1-17/80),

which has been referred to the Political Affairs Committee as the committee responsible and to the Legal Affairs Committee for an opinion;

— a motion for a resolution tabled by Mr Schwartzberg, Mr Delors, Mr Van Minnen, Mrs Fuillet, Mrs Lizin, Mrs Focke, Mr Jaquet, Mr Moreau, Mr Oehler, Mr Josselin, Mr Loo, Mr Sarre, Mrs Roudy and Mrs Cresson, on behalf of the Socialist Group, pursuant to Rule 25 of the Rules of Procedure, on the abolition of the death penalty in the European Community (Doc. 1-20/80),

which has been referred to the Legal Affairs Committee as the committee responsible and to the Political Affairs Committee for an opinion;

— a motion for a resolution tabled by Mr Sarre, Mr Jaquet, Mr Estier, Mr Pisani and Mrs Vayssade, on behalf of the Socialist Group, pursuant to Rule 25 of the Rules of Procedure, on the events in Iran (Doc. 1-21/80),

which has been referred to the Political Affairs Committee;

— a motion for a resolution tabled by Mr De Clercq and Mr Damseaux, pursuant to Rule 25 of the Rules of Procedure, on the tax on 'cadastral' income from owner-occupied property (Doc. 1-22/80),

which has been referred to the Committee on Economic and Monetary Affairs.

3. *Verification of credentials*

President. — At its meeting of 13 March, the Bureau verified the credentials of Mrs Lentz-Cornette, whose election had already been announced, and made sure that they complied with the provisions of the Treaties.

It therefore proposes that the House ratifies this election.

Are there any objections?

This election is ratified.

4. *Procedure without report*

President. — On Monday I announced the titles of those Commission proposals to which it was proposed to apply the *procedure without report* laid down in Rule 27A of the Rules of Procedure.

Since no one has asked to speak and no amendments have been tabled to them, I declare these proposals approved by the European Parliament.

5. *Membership of committees*

President. — I have received from the Liberal and Democratic Group a request for the appointment of Mr Hamilius to the Committee on Budgetary Control, to replace Miss Flesch.

Are there any objections?

The appointment is ratified.

6. *Decision on urgent procedure*

President. — The next item is a decision on the adoption of urgent procedure for four motions for resolutions and one proposal for a regulation.

We begin with the *Balfe et al. motion for a resolution (Doc. 1-16/80): Provisionsal twelfths system.*

At its meeting yesterday, the enlarged Bureau discussed at length the questions raised by the provisional twelfths system for the functioning of Parliament and decided to adopt, during the April part-session, a number of decisions which will enable a general solution to be found to the problems raised by this system for this year.

In these circumstances, do you wish to maintain your request for urgent procedure?

I call Mr Balfe.

Mr Balfe. — Mr President, the short answer is yes. The slightly longer answer is that Members will see that today I have tabled an amendment replacing my own conclusion, because a number of Members have said to me that the purpose of my resolution was solely to cancel the part-session scheduled for later in March. I assured the House yesterday that this was not the case, and in order to clarify matters I have put down a new conclusion, which has been circulated to Members, but I will read it out in case they have not had time to see it:

Resolves that Parliament, in accordance with the Treaties and the Financial Regulation, will restrict its monthly expenditure to one-twelfth of the appropriate chapter headings for last year, and instructs the Quaestors, the Administration and others responsible to take the appropriate steps immediately to ensure that the Treaties are complied with in this regard.

The reason why I have put this down, Mr President, is that I believe that if this House is to have authority it must be seen to implement the Treaties and the rules under which it is constituted and exists. These treaties, and what flows from them, are a matter of law, not of convenience. The fact that the administration is advised that there will be over-spending means to me that there must clearly be some adjustment either of expenses or of activities. I do not set out to say what that adjustment should be, because my concern as a member of the Committee on Budgets, and as a Member of this House, is purely that we act within the rules. The point has been made to me by some colleagues that we must respect the need for political decisions. My reply to that, Mr President, is quite simply that a political decision which is allowed to take precedence over a legal situation is a devalued political decision. In other words, we must act within the law.

Finally, I am aware that there has been over-spending in both January and February on this heading, and it has been suggested to me that an over-spending in March or April is therefore also acceptable. The point I wish to make, Mr President, is that while I am willing to accept that in January and February the over-spending occurred accidentally, the advice now is that there will be an over-spending in March, and wilfully to take an action now which leads to a breach of the Treaties is, in my view, wrong and cannot be sustained by this House. It is for that reason that I am asking that there be a debate on the system of provisional twelfths later today in order that the House may express its opinion on this matter. I hope that the House will agree that this is a matter of urgency which is worthy of debate, because we should at all times at least be seen to act within our own laws before we seek to ask others to act within them as well.

(Applause from certain quarters of the European Democratic Group)

President. — I call Mr Glinne.

Mr Glinne. — (*F*) Mr President, I wish to explain the attitude of my group. As you have said, we had a long discussion yesterday in the enlarged Bureau, and the view we put forward was that the Parliament should immediately take steps to obtain an additional provisional twelfth in connection with the March extraordinary part-session. In our view, this part-session must be held and it was a solution along these lines that we tried yesterday to put forward in the enlarged Bureau. Unfortunately, our view was not accepted. We nevertheless consider that the text put down by Mr Balfe does not resolve the problem, but on the contrary, might well complicate it. We have therefore amended Mr Balfe's text in the hope that this amendment, together with the basic text, will be sent to the Committee on Budgets in accordance with Rule 25 of the Rules of Procedure.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) I see no reason for the adoption of urgent procedure. You have informed us that the Bureau is going into the matter and has made a decision. This decision is sufficient to assure a settlement of the problem raised by Mr Glinne, and even in the light of the first signatory's amended version I see no reason why we should adopt urgent procedure today and deal with this complicated subject in this Chamber without proper preparation. Our group is therefore opposed to the adoption of urgent procedure.

President. — I call Mr Simpson.

Mr Simpson. — I would like to speak against urgency in the case of this debate and to ask that it be sent to the appropriate committee. The Bureau took a decision yesterday, as you yourself have reminded the House; as one of the Quaestors and as the representative of my group, I feel that it would in the circumstances be better to leave the matter before the Bureau, who have undertaken to take a decision by next month.

President. — I call Mr Bonde.

Mr Bonde. — (*DK*) I should like to support Mr Balfe's request for urgent debate. At the meeting of the enlarged Bureau yesterday, it was revealed that Parliament spent 6 % more in January than the provisional twelfths allow. In February it overspent by 3 %, and in March there are plans to overdraw Parliament's account by 5 %. To me this seems like an incitement to us all to act like a gang of kilters.

In these circumstances there are only two alternatives: either we reduce expenditure so that we fall below the provisional twelfths, or we establish a valid legal basis for increasing it. We shall not get a sufficiently large majority in favour of trying to widen the legal basis to give us more money from the budget; so the only solution left is to retrench. I have unsuccessfully proposed on an earlier occasion that we reduce travel allowances to actual expenses and that we reduce daily allowances to the amount which we believe interpreters and other officials can live on here. Consequently, I now suggest that we cancel the part-session on agricultural prices and make sure that we do not knowingly exceed the portion of the budget to which we are entitled and which, under the terms of the Treaties, consists of twelfths of last year's budget.

I therefore endorse the request for urgent debate. If this is not dealt with in this part-session, we shall be kilters four times over next month.

President. — I call Mr Coppeters.

Mr Coppeters. — (*NL*) Mr President, I think we must support the request for urgent debate, if only because this will guarantee the transparency of the procedure. The arguments for and against the various solutions have probably already been discussed exhaustively at yesterday's meeting. One thing, however, we cannot do: we cannot, as it were, by taking devious paths and saying nothing, allow ourselves to fall into an illegal situation. There can be no question of contravening the law. If then, the best solution is, openly and clearly, taking account of all the problems that may present themselves, to take measures which may well be hard, I think it is only logical to adopt urgent procedure.

President. — I put the request to the vote.

The request for urgent procedure is rejected.

The proposal is therefore referred to the appropriate committee.

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President. — We proceed to the *Weiss et al. motion for a resolution (Doc. 1-18/80): Situation of the hostages in Iran.*

I call Mrs Weiss.

Mrs Weiss. — (*F*) Mr President, in this Chamber, our hearts are filled with compassion at the thought of the moral torments inflicted on these hostages, who for

Weiss

months have been in the hands of a band inspired by the same murderous fanaticism as the régime of Ayatollah Khomeini himself. I say 'murderous' advisedly. Summary executions in that country occur unceasingly, while promises, retractions, virtual inculpations, brief moments of hope, deliberately followed by insults inflicted upon the highest representatives of the Western world, remind one of those slow executions which may even stop after they have started, leaving their victims permanently traumatized.

So far the protests of this Assembly have been in vain. In its attempts to negotiate, the United Nations Organization has merely shown a powerlessness which is all too easy to explain. It is certainly not for us to discourage those concerned, but rather to put them on their guard against the combination — of which they seem unaware — of religious passion and sly cunning whose effects I myself filmed more than twenty years ago when living among isolated Shiite communities. Nothing of what is going on today surprises me. In my group's view, honour demands that Europe should continue to protest. Europe believes in justice — perhaps in eternal justice, but at all events in justice on this earth. It must lend its support to any action undertaken before the Hague Court against the universally recognized crime of taking hostages. These crimes are multiplying and, alas, will continue to multiply; they go unpunished, like the instance we now have before us, for lack of unanimous sanctions. If ever a tribunal has to pronounce sentence on the former Shah of Iran, what, I ask you, would be the verdict on his successor? These tribunals may sit one day — who knows? — but it is not them I am thinking of when I ask for your support: I appeal to that tribunal which each one of you, the elected representatives of Europe, carries in his heart and whose judgments are based on laws unwritten but immortal.

(Applause from the centre and the right)

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, having heard this exposition of the reason for adopting urgent procedure, I think that all of the House will agree that the situation of the hostages in Iran is a desperate one. One has every sympathy with them and hopes that a solution will be quickly arrived at. It is a little difficult, perhaps, to see the point of adopting urgent procedure in this matter, since it is difficult to see what we in this House can actually do to help them; nevertheless I have the greatest respect for Mrs Weiss and I shall certainly not ask my honourable friends to oppose her, because I think that what she is trying to do here is very commendable indeed.

President. — I call Mr Glinne.

Mr Glinne. — *(F)* Mr President, by way of explaining the attitude of the Socialist Group on this point, let me remind the House that only a few weeks ago we adopted by an enormous majority a text tabled by Mr Schwartzberg which had been agreed upon by the main political parties represented here. Moreover, a few days ago we tabled a text, under Rule 25, bringing the details of this tragic affair up to date. Consequently, while admitting that the substance of Mrs Weiss's text is largely justified, we shall oppose the request for urgent debate and hope that, together with other documents bringing the Parliament's recently adopted position up to date, it will be examined by the Political Affairs Committee.

President. — I call Mr Coppieters.

Mr Coppieters. — *(NL)* Mr President, I wish to plead in favour of an urgent debate, since no one so far has done so except Mr Scott-Hopkins in his statement on behalf of his group. There are various arguments in favour of an urgent debate, since a turning-point is in fact to be observed in the course events are taking. Moreover, in a month's time we are to have in this Chamber the big debate on human rights, and the problem of political hostages will be one of the points to be covered; a reaction on this matter, one way or the other, would therefore be a good thing. No doubt it is a thorny problem, but we have already voted for resolutions and argued in favour of urgent procedure when dealing with diplomatic questions that were at least as difficult as this one.

Moreover, I would point out to Mr Glinne that the purpose of this is not to heighten but to reduce tension. In the present situation, Iran and the Middle East as a whole can only stand to gain if the European Parliament immediately adopts a clear point of view on this tragic affair.

President. — I put the request to the vote.

The adoption of urgent procedure is agreed. The motion for a resolution is therefore included in today's agenda.

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President. — We proceed to the *Pranchère et al. motion for a resolution (Doc. 1-23/80): Community apple market.*

I call Mr Martin.

Mr Martin. — *(F)* Mr President, when people in this Assembly are claiming to be concerned about the com-

Martin

mon agricultural policy, this would be an opportune moment for demonstrating one's readiness to respect principles and not to jeopardize either the balance of our markets or the revenue of our producers. This quota of over 37 000 tonnes of apples from South Africa is disturbing our market at a time when there are still considerable stocks in the Member States. Apple-growers are coming up against real and serious difficulties that can be rapidly disposed of. On the eve of a full-scale debate on agriculture in the Community countries, I and my colleagues consider that this Assembly would do itself credit by recognizing the urgent need to show concern for the interests of our — in this case, the French — producers.

President. — I call Mr Patterson.

Mr Patterson. — Mr President, I wish to speak against urgent procedure. There is no doubt that the situation on the apple market in the European Community is extremely grave and the destruction of apples at our expense is a great scandal. But we had a debate on this yesterday afternoon, and it seems to me a bit cheeky of the signatories to this motion to demand urgent procedure now, because none of them spoke in that debate yesterday on the Ligios report and I doubt if any of them were actually present.

(Applause from some quarters)

Had they been present, they would have heard me point out to them that as far as my country is concerned, it is apples from the country of the signatories which cause the scandal. They would have heard a colleague of mine say that it imports into the United Kingdom from the signatory country which are assassinating the United Kingdom apple-growers. They would even have heard me remark that if they will not buy our lamb, we will not buy their apples; but as they were not here to hear me say that, as they did not attend the debate and did not speak in the debate, they cannot possibly now come and demand urgent procedure for this matter.

(Applause from the European Democratic Group)

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, we have already had a similar request for urgent procedure, tabled by Mr Ligios, who then withdrew it in consideration of the fact that this motion would be sent to the appropriate committee for detailed examination and that on the same day we should have a debate on fruit and vegetables. In my view, it is therefore impossible to adopt urgent procedure now for a motion which is essentially the same as the one that has already been referred to committee for detailed examination.

President. — I call Mr De Goede.

Mr De Goede. — (NL) Mr President, I wish to speak against urgent procedure. Ever since Adam and Eve were in Paradise, there has been talk of a disturbance of the apple market...

(Laughter)

... and I have not observed that it is any more urgent than the bigger problems that Parliament has to deal with. We can, if we want, carry on every Friday declaring everything that is going on in and outside the Community to be urgent, but we only make ourselves ridiculous by adopting urgent procedure for this kind of subject and dealing with it on the spot. The authors of the motion could have raised this matter months ago in the Committee on Agriculture: there the matter could have been prepared, and a motion for a resolution drawn up. I therefore oppose the adoption of urgent procedure for this item.

President. — I call Mr von der Vring.

Mr von der Vring. — (D) Mr President, I oppose the request, and I would urge the House to pay a little thought to its own good name. We cannot one day deny the urgency of the loss of employment in the British steel industry — as happened yesterday — and the next put the destruction of apples on the agenda as an urgent item.

President. — I call Mr Pranchère.

Mr Pranchère. — (F) Mr President, I am astonished at some of the remarks made here, because this motion — which we took up on under rather unusual circumstances during yesterday's sitting — concerns a definite, particular case. I have always been told that it is the last straw that breaks the camel's back. Very well then, the imports referred to in this motion are likely to disturb — and indeed, are already disturbing — the Community apple market. In our view, it is essential that the Parliament should take a stand on this without delay. To destroy apples because quantities exceeding the demand are being imported can only be described as paradoxical conduct. In our country, thousands and thousands of tonnes are often destroyed, with the help of the EAGGF, before our very eyes while many of our inhabitants have to go without this fruit. In our view, therefore, whatever debate may have taken place yesterday — and we know all about it, despite what has been said here — there is every reason for the European Parliament to adopt urgent procedure so that, prompted by this particular case of imports from Southern Africa, we can demonstrate to both Commission and Council our refusal to tolerate certain disturbances of the apple market.

President. — I put the request to the vote.

The request is rejected. The motion for a resolution is accordingly referred to the appropriate committee.

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President. — We proceed to the *Enright et al. motion for a resolution (Doc. 1-24/80): Olympic Games.*

I call Mr Sherlock on a point of order.

Mr Sherlock. — Mr President, the item mentioned in the agenda in my right hand is not the same as the matter referred to on the back of Mr Enright's motion. The agenda refers to participation in the Olympic Games. The motion, on the other hand, has no direct reference to this whatsoever, but refers to the British Lions Rugby Union tour of South Africa. There is a mistake either on the part of the official who drafted the agenda or on the part of whoever composed the back of Document 124/80.

President. — Mr Sherlock, the wording of the motion for a resolution does not indeed correspond exactly to the title of the agenda item. Nevertheless, there is a certain link in as much as the motion, while speaking of a rugby team's tour of South Africa, does refer to the Olympic Games.

I call Mr Enright.

Mr Enright. — Mr President, first of all I apologize to Mr Sherlock for not making entirely sure that every 'i' was dotted and every 't' was crossed. Nevertheless, this is a matter which is inextricably bound up with our attitude to the Olympic Games. I was one of those who voted for a boycott of the Olympic Games. I did so because I felt it would be morally inconsistent to maintain the attitude I have taken to Chile and South Africa and not take exactly the same attitude when it came to the Russian intervention in Afghanistan.

Having said that, I have become quite appalled by the hypocrisy and zeal with which people are pursuing a boycott of the Olympic Games and at the same time ignoring very many other aspects of human rights. It does seem to me that this motion gives people the opportunity to be morally and politically consistent.

I make this point as no party-political point whatsoever, but as a straightforward challenge to consistent morality and Christianity. Indeed, the Irish Government — and it is to be commended on this — has taken exactly the same attitude as the United Kingdom Government, but it has also done so in relation to the Rugby Union tour of South Africa, and this it has made very plain publicly.

I am not one, Mr President, who likes to table motions of urgency. However, in the light of the others which have been brought this week and debated, it does seem to me that this is equally important. The only reason I put it forward as a motion of urgency is the quite simple one that while the rules of this House exist as they do — and I do not think that they should exist like that — then this is an equally opportune moment for an urgent debate on a very important matter.

President. — I call Mr Rogers.

Mr Rogers. — Mr President, I certainly agree with Mr Enright that this morning is going to be very cluttered if we accept matters of urgency, but like him I believe that this matter requires urgent discussion and on the same grounds that he has stated.

Very recently in Southern Africa, as a result, I think, of Mr Macmillan's attitude many years ago when he recognized that there was a wind of change blowing through Africa, the Foreign Minister of Her Britannic Majesty's Government did a remarkable job in relation to Zimbabwe. I do not think there is anyone here of any party who would not accept that what has happened in the southern part of Africa very recently was quite a remarkable achievement. People have been working towards it for years and recently we saw a culmination of it.

Now against this, we must look at the situation a little further to the south. There we have one of the most iniquitous régimes in the world. I do not think that anyone would deny this. Earlier on, Mrs Weiss most eloquently spoke of justice and asked us to look at the tribunal of our hearts. From that, I am sure, she would want us to look at our consciences, and in conscience there is no way that we could support the British Lions' Rugby Union tour of South Africa and foster the régime that exists there. I say this, coming from a particular part of the United Kingdom that has an interest in rugby, although I quite accept that these days it seems to be more thuggery than rugby that we see on the pitches. Again, that is something that I very much regret, but by the same token I would not like to send a bunch of thugs to South Africa or a rugby team. I do not think there is any Christian, Socialist, Conservative or Liberal in this House who could support the sending of the British Lions rugby team to South Africa.

President. — I call Mr Berkhouwer.

Mr Berkhouwer — (NL) Mr President, let there be no doubt that I and my political friends here are filled with the greatest aversion to the policy of *apartheid* being pursued in South Africa. Nevertheless, this does not mean that we see any particular need for the European Parliament to debate the British Lions' visit to

Berkhouwer

South Africa to play rugby there. The tour has nothing to do with the Olympic Games, save that it is to take place before the Olympic Games begin in Moscow in April or May. That is the only connection.

My second point: there is a big difference here when you compare this with our resolutions on the Olympic Games, in which we call on our national governments to urge the national committees to reconsider whether they should take part in the Olympic Games in Moscow. How in Heaven's name can we here, in this Parliament, adopt a resolution calling on eight governments to prevent the British Lions Rugby Union tour of South Africa? That is absolutely impossible, whether today or at any other time. This motion for a resolution, simply cannot be debated by this Parliament, whatever the procedure adopted.

(Applause from some quarters of the European Democratic Group)

President. — I call Mr Moreland.

Mr Moreland. — Mr President, my group opposes the urgency of this motion. First of all, it is presented in such confusing terms that we suggest that it would do far more harm than good and not achieve the objects put forward by the proposer.

I would also point out that this has been presented by the proposer in a somewhat misleading manner. I would claim, and I stress this, that there is no inconsistency between the British Government's attitude towards the Olympic Games and the British Government's attitude towards the Lions Rugby Union tour. I say this because the government has officially discouraged this tour and it has officially discouraged participation in the Olympic Games. We happen, in the United Kingdom, to be a free society. We do not stop people participating. If they wish to do so they must take it on their own heads, but it would be totally irresponsible of this Parliament to pass this motion, because it would show its ignorance of the situation.

The situation in South Africa we deplore, I may say in passing that Mr Prag and myself have done something that I do not think the Socialist Members have done. Within the last two weeks we saw the Minister for Justice of South Africa and made quite clear to him our views on *apartheid*, our views on the conviction of Mr Mange that we discussed last month and our views on the removal of Bishop Tutu's passport. However, I would suggest, Mr President that we must stick, strictly speaking, to the objective of the British Lions Rugby Union tour. On those grounds there cannot be any need for urgency because the British Government is, in fact, fully complying with the Gleneagles Agreement on this particular subject. It is going along fully with other African countries and discouraging this tour.

(Applause from some quarters of the European Democratic Group)

President. — I call Mr Balfour.

Mr Balfour. — Mr President, I shall speak against. It is more by way of an explanation of vote. A challenge was handed to us by Mr Enright, and I would like to respond to that challenge. It is a very straightforward case where our vote in favour of a boycott of the Olympic Games in Moscow was prompted by an act of aggression against another country, a military act which we wanted to see reversed. We may object violently to the method of government in Russia and to the method of self-government in South Africa, but our boycott of the Olympic Games was because we objected to the military aggression in Afghanistan. There is the distinction, Mr Enright.

President. — I put the request to the vote.

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

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President. — We proceed to the *proposal for a Council regulation (Doc. 1-832/79): Conservation and management of fishery resources.*

I call Sir Henry Plumb to present the opinion of the Committee on Agriculture.

Sir Henry Plumb, Chairman of the Committee on Agriculture. — Mr President, my attention was drawn last night to the request for urgent procedure requiring a decision from this House today, and I was asked if I could convene the Committee on Agriculture either last night or today to make a report to this House so that the matter could be fully considered. It was not possible either last night or today to convene that meeting of the Committee on Agriculture. Neither have I been able to get together the people particularly responsible for fisheries. For these reasons we shall do our best, since we have a special meeting of the Committee on Agriculture scheduled for next week, to deal with this matter during the committee stage, although the committee has been recalled specially to deal with matters of price review. However, we shall try to clear this and so report to this House, if you would agree, Mr President at the special part-session at the end of March. This would give us the opportunity of clearing up the matter before the final date of 31 March, if that be your wish. So I am not requesting urgent procedure today.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I entirely support what has been said by the chairman of the Committee on Agriculture. If I may say so to the Council, this is not the first time they have done this. It puts this House in an impossible position, and perhaps the Council, together with our own services, can look into it to see that it does not go on happening in future. I entirely support what the chairman of the Committee on Agriculture has said.

President. — I put the request to the vote. The request is rejected.

7. Decision on requests for an early vote

President. — The next item is a decision on two requests for an early vote.

I put to the vote the request for an early vote on the *Buchou and Davern motion for a resolution (Doc. 1-772/79): Wine-growing.*

The request is accepted. The motion for a resolution will therefore be put to the vote at the next voting-time.

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President. — I put to the vote the request for an early vote on the *Sutra and Gatto motion for a resolution (Doc. 1-788/79): Common wine-growing policy.*

The request is accepted. The motion for a resolution will therefore be put to the vote at the next voting-time.

8. Timetable for the adoption of the 1980 budget

President. — The next item is the motion for a resolution tabled by the Committee on Budgets on the budgetary timetable for the adoption of the 1980 budget (Doc. 1-1/80).

I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (D) Mr President, the Commission submitted its budgetary proposals in February, and on that occasion we indicated that we attached importance to reaching a decision on the budget for 1980 as soon as possible. We therefore immediately addressed an informal request to the Council to proceed in accordance with the

Commission's proposals — that is, to leave the agricultural package in and, if possible, to submit the draft in April. In order to add force to this, Mrs Weil then asked the President of the Council, in response to this proposal, either to confirm this date or, if that was not possible, to indicate another one. The Council's reply to this leaves everything open and contains no final acceptance of the date, merely stating that the Council will do what it can and that it will probably not be possible to give a final answer about the date until the agricultural questions have been settled. This means that they are waiting for the Parliament's extraordinary part-session to take place before holding, immediately afterwards, a meeting of the Council of Agricultural Ministers in order to create the conditions necessary for submitting the draft budget. All this seems to us a little inadequate, and we take the view that we cannot content ourselves with just a letter from our President or an answer to this letter from the Council; at this point the Parliament should quite formally state its views on the timetable for dealing with the 1980 budget. Hence our submission of this motion for a resolution, which first of all states our readiness to do everything we can to get the 1980 budget passed as soon as possible and confirms once more that the agricultural proposals should be included in the draft budget pursuant to the Parliament's decisions of 7 November and 13 December 1979. The main reason for this is that according to the Treaties the prices must be fixed by 1 April — that is, by the beginning of the agricultural marketing year. We then ask the Council to respect the April time-limit — though we put it a little more formally by saying that we consider it essential for the Council to present . . . , etc. We then add that, in order to complete the consultations and adopt the budget as soon as possible, preparatory meetings between the two parts of the budgetary authority should be held in order to have something more than just a date for an official concertation: this, according to the Council's plans so far, is scheduled for 14 April. To judge by the letter sent to the President of Parliament, however, the concertation itself might well be called into question. Let us, however, take this date of 14 April as the only possible date for a single official concertation: without proper preparation, this single official concertation would put us all, the representatives of both parts of the budgetary authority, in the same situation as on similar occasions in the past — namely, nothing would get going.

Preliminary meetings must therefore be held, as we have stated here in plenary sitting on more than one occasion. An effort must be made in informal talks to clarify the extent to which an understanding is possible. This, we go on to say, is in our view an essential condition if, provided the budget is submitted in April, we are to make do with a single reading in May and complete the procedure for the 1980 budget in that month.

We therefore ask the House for its support in order to show the Council that this is the Parliament's view and

Lange

that the Parliament attaches importance to settling the matter as soon as possible.

President. — I call Mr Balfe.

Mr Balfe. — Mr President, Parliament has demonstrated in a recent vote that this resolution and all the fine words behind it are no more than a load of humbug. At last we have managed to see this European Parliament in its true colours as an institution which is prepared, when it suits it, to abandon the Treaties, to abandon legality because it puts its own opinions above the need to stay within the law. Whether or not we have a budget is completely irrelevant to the functioning of this institution, because if we can overspend and ignore the Treaties in one area, we can ignore them in any area.

Let us look at this budget proposal. It talks about May. Mr Lange knows that there is no chance of the budget being adopted in May, or June. What we are now talking about, so I am told, is whether it is to be September, October or November. The one thing we do know is this, that every Member of this Chamber stands to gain financially by casting a 'yes' vote for the budget. This Chamber has deteriorated into a chamber where votes are bought.

(Protests from various quarters)

Every one of us in this Chamber has money invested in getting the budget passed. It has to be said; it is about time it was said. Every time Members come to this Chamber a certain amount — 40 %, in fact — of their expenses are docked and they are told by the administration, 'when the budget is passed you will have your money'. That is what is being said. However, this Chamber has been unwilling this morning to bring itself within the law, and yet we sit here and talk about the budget...

IN THE CHAIR: MR ROGERS

Vice-President

President. — Under the Rules of Procedure there is no specific ruling on this point, but as you know it is our particular national custom that Members should not impute unworthy motives to other Members. As this is going on the record, we should perhaps bear that in mind. I certainly accept the general point that you are making.

Mr Balfe. — I am fully aware of this aspect, Mr President, and I took very great care to refer to all of us,

including me, because I think it is about time one or two things were said in this Chamber. However, I do take your point; indeed, on top of my papers there is a copy of the Rules of Procedure.

This is a resolution which may express some hope, but it is extraordinarily difficult to get any information out of this building about the budget. I have been trying since January as a member of the Committee on Budgets to obtain replies to letters about expenditure under the budget. They are still awaited. How are we to function if we cannot get information about what is spent in the budget? How did we obtain information, for instance, about Chapter 10 of the budget? By eventually tabling a resolution on the subject, which went to the Bureau, and members of the Bureau told me what was said. But even now those letters remain unanswered.

So what have we got? We have a pious resolution about a budget for which we know the timetable is completely notional, asking Parliament to do the impossible, whilst Parliament is quite willing to carry on behaving illegally — on its own admission; and we sit here pretending that we are an institution that should be listened to. Let me say this to the House, a Parliament which chooses to behave in a manner which it knows is illegal, which it knows is dishonourable, does not deserve the respect of Europe and will not receive it. If you want to start talking about politics, if you want to exert some influence on Europe, then put your own house in order first; do not carry on endorsing acts which are admitted to be illegal which place political expediency before the rules and treaties under which this House was established. Unless we manage to obey the rules ourselves, we have no right to expect anyone in Europe to treat us seriously.

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

Mr J. M. Taylor. — Mr President, I cannot let the last contribution from Mr Balfe pass without some rejoinder. You see, Members are not dishonoured by the presence of a temptation to act from a wrong motive, as he seems to imply. Members achieve stature, if they achieve it at all, by behaving in a manner which is nobler than self-interest. Mr Balfe seemed in his remarks today to be critical of Members individually and of this Assembly collectively, simply because Members and this Assembly are exposed to a temptation to pass a budget and to benefit in some way personally in consequence. I say that you cannot insulate politicians and Assemblies from the temptation to act in their personal interests, and the true test is whether they do subsequently go on to act out of pure self-interest or in a nobler and wider way. If Mr Balfe wants to live in an environment where as a politician he will be subjected to no temptations at all, then I say that he is asking to stand in a place that does not exist. And so Members

Taylor

of this House will direct their attention to the forthcoming budget despite the fact that they know that a wrong motive may be imputed to them, and I think they will be able to rise above that in the same way as they did in rejecting the budget in December. They put aside a lot of pressures from lobbies that were put upon them and did what they thought was right. So Mr Balfe prejudices this House and imputes to Members wrong motives, I think, without any justification.

That having been said, I would like to support Mr Lange, the chairman of the Committee of Budgets, in his initiative in setting this timetable. Let us say that it is an optimistic timetable, but it is none the worse for that. It shows the practical willingness of the Parliament to get on with this job, and Parliament can comply with the timetable that Mr Lange has set. It will burn the midnight oil if necessary. Parliament has put down its markers for the way in which it is prepared to proceed, and in this way it can highlight those other institutions of this Community who are not prepared so to move forward. We have put ourselves on record as being prepared to make progress. Let others follow Mr Lange's example and do the same: let Members of this Chamber follow Mr Lange's spirit and support his initiative.

President. — I call Mr Notenboom to speak on behalf of the Group of the European People's Party (C.-D. Group).

Mr Notenboom. — (NL) Mr President, I did have my name crossed off the speakers' list, because I found Mr Lange's presentation very good and felt it could be left at that, particularly in view of the heavily-loaded agenda. But this will not do: Mr Balfe makes it impossible for us not to react, if only very briefly. He was, of course, speaking on his own behalf and not for his group, and it is only fair to point that out.

The situation has been presented very unfairly. If Members of Parliament find their personal affairs involved in the 1980 budgetary situation, it is because they have brought difficulties upon themselves. The Members of this Parliament have made things difficult for themselves because they have chosen to adopt a strict interpretation; in the European cause and for the sake of remaining strictly within the law, many Members of this Parliament have made things difficult for themselves instead of making them easy, instead of turning things to their own advantage. By being strict, they wanted to serve the European cause, not the other way round. This I felt I had to say.

Mr Balfe says that Mr Lange is well aware that his timetable cannot be kept to. That is unfair too. Naturally, none of us knows whether it will come off, but a resolution is *the* means above all by which Parliament communicates with the other Institutions. How better can Parliament express its views than in a resolution

adopted in plenary sitting? That is its way of making its reaction known to the Council. We can but try, and hope that it will succeed. If it doesn't, then we shall have to see in April what the next step has to be. Many times in the past we have taken a step forward in this way.

Resolutions adopted by this Parliament have by no means always led to the success that had been hoped for. On many an occasion we have suffered a setback, but on many occasions we have been successful too. That is the way Europe is constructed, and that is why I had to say a word of protest against this way of presenting things. I have been following budgetary policy attentively for some 8 years now. Sometimes we have no luck, sometimes we do. Sometimes we have failed to make a step forward, other times we have succeeded. Thus Europe progresses — slowly, alas — along the road it has taken. This is the only way to get anything done.

I much regret that a resolution tabled by the Committee on Budgets should have been subjected to such remarks.

(Applause)

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — (D) Mr President, as the Member presiding over this sitting, you have already made an appropriate comment on the personal insinuations that have been made here. I think each one of us should resist the temptation to attribute unworthy motives to others.

(Applause)

This motion expresses a political will, which, we hope, the Parliament, by adopting the motion, will make its own. I must add that the letter from the President of the Council to the President of the Parliament refers to the procedure for adopting the 1980 budget in terms which are rather general and not entirely unambiguous. We have taken the initiative of proposing to the Council that the budget for 1981 be taken up in accordance with the practice followed in the years 1976, 1977 and 1978 (1979 was an exception due to the direct elections), and our purpose in setting up this timetable is to avoid the danger that two budgets have to be dealt with concurrently if the present one drags out until the autumn. That would be completely absurd, and such an arrangement with regard to time can hardly seem attractive to the Council either.

This may well appear a somewhat optimistic view of things; but we must make it clear to the Council straight away that we want to finish the whole business as rapidly as possible in order to be able to concentrate on the budget for 1981. I therefore, ladies and gentle-

Lange

men, ask you to take this into consideration when deciding on this motion.

President. — The debate is closed. The vote will be taken at the next voting-time.

In view of the length of our agenda this morning, I shall close the list of speakers in 10 minutes' time.

9. Air links with Strasbourg

President. — The next item is the motion for a resolution by Mr Spinelli and others on air-links with the city of Strasbourg (Doc. 1-2/80).

In the absence of Mr Spinelli, I call Mr Pflimlin.

Mr Pflimlin. — (*F*) Mr President, I am sorry that Mr Spinelli is not here, but I will try to take his place by speaking in favour of the motion.

I quite understand that some of our Italian colleagues should have expressed their dissatisfaction because of difficulties they have encountered when coming to Strasbourg by air. The motion for a resolution put down by Mr Spinelli and others criticizes in particular the practice of over-booking, which all the airlines are known to practise. This consists, as you know, in accepting more reservations for a particular plane than there are places in that plane. This is indeed a dubious practice. I myself have been a victim of it and have been unable to take a plane in which I had reserved a seat in proper fashion, because others who had made later reservations had reported before me. Nevertheless, I would point out that the airlines sometimes have an excuse: passengers who have made reservations and then decided not to take the plane in question fail to inform the airline, with the result that seats that have been reserved remain vacant. I have to say that this has been a very frequent occurrence, because I personally have been closely following the statistics concerning the numbers of seats taken in planes flying to or from Strasbourg. The routes connecting Rome and Milan with Strasbourg are especially affected. Of course, this does not justify the practice of over-booking, but it does explain it to a certain extent.

I should like to take this opportunity of pointing out that an effort has been made to improve air connections between Strasbourg and Italy. For some years now, there have been daily direct links, except for the weekends, between Strasbourg, on the one hand, and Rome and Milan, and these services have been improved. For some considerable time they were served by Corvettes, small 13-seaters which offered little comfort; since last year, however, the link with Rome has been served by a Fokker 28, a 65-seater jet, and that with Milan by a Fokker 614, which has 45 seats. I

make so bold as to say that this is an improvement on the previous situation.

These air links were essentially created for the benefit of parliamentarians coming to Strasbourg. Two-thirds of the deficit on them is borne by the French State and the other third by local bodies — the city of Strasbourg, the Department of the Lower Rhine and the Chamber of Commerce and Industry. This means that the French State and certain local bodies are making a contribution — a contribution which may not be entirely adequate but which nevertheless represents fairly large sums, for the deficit on these lines is quite heavy.

Are we entitled to consider that everything is for the best in the best of all worlds? Of course not, but the French Government in December took the big decision of giving Strasbourg Airport the status of an open airport, which means that all foreign airlines can use it without any restrictions, and it is my supreme hope that this enhanced status will prompt a number of airlines to establish air links with Strasbourg. One English firm, Dan Air — a purely private enterprise — has for some time provided flights to London, and perhaps this will be followed by others.

The motion for a resolution also raises the question of timetables for flights connecting this city with Rome and Milan. These timetables do indeed leave some room for improvement, and it is extremely desirable that, as the authors of this motion suggest, the Presidency of this Parliament should concern itself with the question; but it might well be useful to set up a working-group or, at least, to provide the Presidency with some precise indications of the timetables required. I myself would be perfectly prepared to take part in studying ways and means of improving these aerial links between Strasbourg and Italy and also, of course, with other cities. I know that there is a problem with regard to Amsterdam: there is a link between Amsterdam and Strasbourg and there, too, the deficit is covered in the manner I indicated just now. But perhaps some improvement is possible.

Mr President, the subject of this motion by Mr Spinelli is a source of some concern for me. I find the motion on the whole justified and will vote for it. As I said, I am ready to take part in any search for possible improvements, it being understood that any wishes should be formulated as precisely as possible.

President. — I call Mr Spinelli.

Mr Spinelli. — (*I*) Mr President, I offer my apologies for my momentary absence when it was my turn to speak.

I should like to give the Parliament a picture of the working conditions that 81 Members of this Assembly

Spinelli

are constrained to accept if they wish to take part in its sittings. The 81 Italian Members — and as regards the timetable for arrivals in Strasbourg I think the situation is analogous only for the Irish — cannot arrive in Strasbourg before 4.30 p.m. Some time ago, the time of arrival was 3.30 p.m., but then the flight was put back an hour. This means that we are prevented from attending any group meetings that take place on a Monday before 5 p.m. We have to leave Strasbourg at about midday, which means that as a rule we are prevented from taking part in the votes that take place during the Friday sitting. We cannot leave the following day, even if we wanted to, since there are no weekend flights.

Apart from these difficulties, which mean that on important occasions the 81 Members may find themselves prevented from attending, the situation is further aggravated by the common practice of overbooking: on my way here, I was told — and I wasn't the only one — that I didn't have the 'O.K.', whereas I did in December; I was forced to fly *via* Paris and to arrive here three hours later, because in the meantime the airline had evidently decided to give the seat I had reserved to someone else.

In order to find a way out of the situation, we wish to make some fairly simple suggestions — and I thank Mr Pflimlin for being present to hear our case: since he is the Mayor of Strasbourg, I am sure he will do what he can to help us. First of all, at least during the Strasbourg part-sessions, flights from Rome and Milan should be brought forward by a couple of hours or so: departures should be at about 9 or 10 a.m., not later. Further, at least during the week of a part-session, departures from Strasbourg for Milan and Rome must be in the late afternoon, as they are for all the other countries, and not at midday or 1 p.m., since leaving at this time means being unable to attend a sitting right to the end. This applies to the weekdays.

The second point I should like to raise is the need to bear in mind that a Member's decision to come to Strasbourg for one day or for all five days of a part-session is based on the agenda, but we do not know the agenda until one week before the part-session. My request is that an agreement be reached with the airline that Members wishing to come to Strasbourg have an absolute first option on the seats they have reserved until one week before the part-session begins; if, by the beginning of that week, the Member has not confirmed his reservation, the company can give his seat to whoever it wishes. One week's notice is, I consider, sufficient to enable the company to dispose of the ticket.

These are my two requests: first-option reservations with a maximum of one week's notice and a readjustment of plane time-tables during part-sessions — i.e. outward flights should be brought forward and return flights to Italy put back: in this way the problem will be resolved. Otherwise our representatives will not be

able to make their full contribution, although it is in the interests of all that they should do so.

President. — I call Mr Berkhouwer.

Mr Berkhouwer. — (*NL*) Mr President, this is a matter that concerns not only our 81 Italian colleagues. This must not be regarded as a purely Italian venture; it is a Community affair: the problem concerns us in the north just as much as you in Rome or Milan, Mr Spinelli. Unfortunately, it is not only a matter of Strasbourg: the links with Luxembourg are bad too.

So far as we Dutchmen are concerned, if we want to fly to Strasbourg on a Monday, we don't get here till about 8 o'clock. So it's precisely the same thing. That is why I am so glad that Mr Pflimlin is here. From Amsterdam on a Monday, we cannot be in Strasbourg before 8 o'clock. And before that, we have to touch down in Brussels — my beloved Brussels, I must say. Well then, Mr Pflimlin, that is an unsatisfactory state of affairs. And I haven't said a word yet about the difficulties if we want to go from Amsterdam to Strasbourg by train. Thanks to the great Europeans, there is no longer any TEE running direct from Amsterdam to Strasbourg: we have to go *via* Germany; we have to take the train from Amsterdam *via* Utrecht and Arnhem; we have to change in Baden-Baden; and then we have another 40 kilometres to cover by car from Offenburg to Strasbourg. That is the alternative if we want to get here by train!

So what Mr Spinelli has undertaken is something after my own heart. It would indeed be a good thing if the Transport Committee of our Parliament concerned itself with these matters and studied them together with the appropriate authorities in the cities concerned, also with the Council and the Commission. It is absolutely essential to improve links between our capitals and the cities where the Parliament meets, whether they are rail links, air links or any other kind. In the literal sense of the word, we must have better communications between all these cities.

That, Mr President, is what I wanted to say — at top speed. We take a positive attitude to Mr Spinelli's ideas and must get down to work in this direction.

President. — The list of speakers is closed.

I call Mr Moorhouse.

Mr Moorhouse. — Mr President, we have every sympathy with Mr Spinelli's feelings and frustrations over the whole matter of getting to Strasbourg by air, but I should like to go on record how much the British Members appreciate the support we have had from the Mayor of Strasbourg...

Moorhouse*(Applause)*

... in improving the air services between the United Kingdom and this fair city. We faced very much the same problems as Mr Spinelli at the outset last July, but after talks with Mr Pflimlin there was a dramatic improvement in the situation and other Members may like to note that we are now fortunate in having extra daily services from Monday to Friday when Parliament is sitting. This is not to say, to Mr Pflimlin, that every lily in the garden is lovely, but things are certainly much better. All of this, of course, has to be viewed against a background of generally unsatisfactory air services within the Community. This is a bigger nettle which the House must grasp without undue hesitation. It is therefore our task and, I think, a wider task — to follow up the work of the Committee on Transport and the public hearings which are being held. The House may know that we heard several airline representatives at the last meeting of the Committee on Transport and we are continuing with these hearings. So, we give our general support to Mr Spinelli's motion, because we understand and sympathize with his problems. We acknowledge Mr Pflimlin's great help in the matter, and I am sure that through him, and with greater cooperation, we can improve the situation for all of us.

(Applause from the European Democratic Group)

President. — The debate is now suspended until the votes have taken place.

10. *Votes*

President. — The next item comprises the votes on those motions for resolutions on which the debate is closed.

I put to the vote the motion for a resolution contained in the *Buchou et al. report (Doc. 1-826/79): Common organization of the market in wine.*

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

The motion is rejected.

The report is accordingly referred to the Committee responsible.

We now come to the *Buchou and Davern motion for a resolution (Doc. 1-772/79): Situation in the wine-growing sector.*

I call Mr D'Angelosante on a point of order.

Mr D'Angelosante. — (I) Mr President, I must say that your tours of duty in the Chair are always extremely diverting. I was sure I had voted on the motion for a resolution tabled by Mr Buchou and Mr Davern: at least five times you have asked us to vote on this motion. Whether you confused the numbers in order to add a further element of diversion I do not know; I repeat, however, that more than once I heard you call the vote on the Buchou and Davern motion for a resolution. However that may be, Mr President, it is the first in the list of votes on requests for an early vote, and I fail to see how you could change the order.

President. — I am sorry, Mr D'Angelosante, but I said: report by Mr Buchou *and others*.

I put the motion for a resolution tabled by Mr Buchou and Mr Davern to the vote.

The motion is rejected.

I now put to the vote the *Sutra and Gatto motion for a resolution (Doc. 1-778/79): Common wine-growing policy.*

The resolution is adopted.

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President. — We now come to the *Buchou report (Doc. 1-731/79): Basic products.*

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 1, tabled by Mrs Castle and seeking to delete this paragraph.

What is the rapporteur's position?

Mr Früh, deputy rapporteur. — (D) Mr President, the rapporteur is opposed to this amendment.

President. — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

On paragraph 3, I have Amendment No 2, tabled by Mr Castle and seeking to delete the words: 'subject to these reservations'.

What is the rapporteur's position?

Mr Früh, deputy rapporteur. — (D) Mr President, on behalf of the rapporteur, I take the same negative attitude — that is, I reject the amendment.

President. — I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraph 3, thus amended, to the vote.

Paragraph 3, thus amended, is adopted.

I put paragraph 4 to the vote.

President. — Paragraph 4 is adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

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President. — I put to the vote the motion for a resolution contained in the *Ligos report (Doc. 1-720/79): Common organization of the market in fruit and vegetables.*

The resolution is adopted.

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President. — I put to the vote the motion for a resolution contained in the *Filippi report (Doc. 1-706/79): Small and medium-sized enterprises in Portugal.*

The resolution is adopted.

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President. — We proceed to the motion for a resolution contained in the *Seeler report (Doc. 1-718/79): EEC-ASEAN relations.*

I put the preamble and paragraphs 1 to 8 to the vote.

The preamble and paragraphs 1 to 8 are adopted. After paragraph 8, I have Amendment No 1, tabled by Mrs Squarcialupi and seeking to add the following new paragraph:

- 8a. Also asks the Commission to propose, within the framework of cooperation agreements, that opium-poppy plantations be replaced by crops that correspond more closely to the requirements of the people concerned.

What is the rapporteur's position?

Mr Seeler, rapporteur. — (D) I agree to this addition. Although the Commission expressed its reservations yesterday evening, I consider that this question of cutting down opium-poppy plantations can certainly be settled within the framework of cooperation agreements.

President. — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraphs 9 to 18 to the vote.

Paragraphs 9 to 18 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

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President. — I put to the vote the motion for a resolution contained in the *Sablé report (Doc. 1-633/79): Supply of milk fats.*

The resolution is adopted.

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President. — We now come to the motion for a resolution contained in the *Gillot report (Doc. 1-725/79): Law of the Sea.*

I would remind you that in Paragraph 10 the words 'and to the Chairman of the 3rd UN Conference on the Law of the Sea' have been deleted.

I put the motion for a resolution to the vote.

The resolution is adopted.

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President. — I put to the vote the *Committee on Budgets motion for a resolution (Doc. 1-1/80): Budgetary timetable for the 1980 budget.*

The resolution is adopted.

11. *Air links with Strasbourg (contd)*

President. — The next item is the resumption of the debate on the motion for a resolution tabled by Mr Spinelli and others (Doc. 1-2/80).

I call Mrs Bonino.

Mrs Bonino. — (*I*) Mr President, I wish to speak very briefly in complete support of this motion. I do not think that our Italian colleagues are the only ones to be inconvenienced, but what is certain is that the entire Italian delegation, if it wished to take this one flight, would not, for example, be present when the order of business was approved on a Monday afternoon. Of course, this difficulty is also due to the fact that the Parliament has three places of work, and the situation is serious because it is not only — as has already been pointed out — a matter of Strasbourg: we shall have to deal with the problems of Luxembourg too. However, that may be, the present situation has forced many of us throughout the winter to leave Rome by the Sunday 4 p.m. train and arrive in Strasbourg at 6 a.m. on the Monday in order to be here on time; and today it will turn out that not one of the Italians will be able to stay for the final votes, because there are not flights in the evening nor on Saturday nor on Sunday. I think the problem is easy enough to resolve, and I think therefore that we have been a little too patient.

Then again, there is the problem of Luxembourg: here too the inconveniences are unbelievable. For example, if a committee meeting has been fixed for the Monday in Luxembourg, I have to leave Rome on the Sunday afternoon by the usual 4 p.m. train in order to get to Luxembourg at 9 in the morning. This scarcely facilitates the work of Members who are already working under particular difficulties, and since the solution is within reach, I think it is an extremely urgent matter to take a decision.

IN THE CHAIR: MR MØLLER

Vice-President

President. — I call Mr Gatto.

Mr Gatto. — (*I*) Mr President, I insisted on being given the floor in order to assert, as a matter of principle, my right to speak whenever I ask for the floor in accordance with the Rules of Procedure: this was disputed by the occupant of the Chair, and this sort of thing always leads to these uncertain situations. I don't believe in beating about the bush, and I say this to you even though you are a member of my group. The relations between Chamber and Chair must be a model of clarity and simplicity!

I asked for the floor, not because I had anything in particular to say to my colleagues, but in order to convey my support for what has been said and to raise a particular question. I question the correct conduct of Air France, and the honourable Member who is Mayor of Strasbourg, a man with such an amiable personality, should listen to me on this point. I left Sicily on Monday morning at 6 o'clock and arrived in Rome at 9. Mr De Pasquale, coming from another district in Sicily, likewise arrived at 10 a.m. at the Fiumicino airport.

We were therefore certainly the first two passengers to present themselves at the offices of Air France. That is quite certain. It would have been impossible, for a flight which — you only have to look at the statistics — is virtually always underbooked, to report at a more opportune moment. Nonetheless, we were asked to come back later, at the normal reporting time. When we did report, we were not accepted, because the plane was already full, although we had booked our tickets months before. On that particular day, something must have happened as a result of which a flight put on essentially for the purpose of assuring the link with Strasbourg in connection with the work of this Parliament was used for other purposes. Evidently, Air France lacks a few business-like people to organize more efficiently the transport of passengers between the peripheral regions and Strasbourg.

I wish to make one further point: my rights as a parliamentarian, Mr President, are subject to the contingencies of air transport. For the latter half of the Monday and for a few hours on the Friday, I am prevented from carrying out my parliamentary duties and therefore from representing my constituency. Now, too, I shall have to 'disappear', because otherwise I shall have no chance of returning to my constituents or, indeed, of being in Brussels on Monday. It is a question of goodwill! It is not a matter of refusing to make sacrifices, but of the impossibility, in terms of *time*, of getting home and then returning in time for the Monday morning. It is therefore a problem that has to be resolved if due priority is to be given to exercising the parliamentary mandate that we have received from our electors and which has to be carried out with dignity.

President. — I call Mr Pflimlin.

Mr Pflimlin. — (*F*) I should like to reply to Mr Gatto, who appealed to me in very courteous terms, and remind him of what I said before — namely, that these services were mainly put on for the benefit of Members of the European Parliament and that I am perfectly prepared to do what I can to improve them as far as possible.

If you will allow me, Mr President, I should also like to take up the suggestion made a few minutes ago by Mr Berkhouwer, that the question be sent to our

Pflimlin

Committee on Transport. It does seem to me to be a matter for the European Parliament itself and that it would therefore be proper for the appropriate bodies in the Parliament to take it up with the French authorities, the local authorities and the airlines in order to find a solution. I therefore support Mr Berkhouwer's suggestion that it be sent for study to the Committee on Transport.

President. — The debate is closed. The motion for a resolution will be put to the vote at the end of the sitting.

12. *UN Convention prohibiting any form of discrimination against women*

President. — The next item is the motion for a resolution tabled by Mrs Maij-Weggen and others on the urgent signing and ratification of the UN Convention prohibiting any form of discrimination against women (Doc. 1-6/80/rev.).

I call Mrs Maij-Weggen.

Mrs Maij-Weggen, rapporteur. — (NL) Mr President, this Convention was adopted three months ago, on 18 December 1979, by the United Nations General Assembly in New York, by a great majority which included the votes of all nine Member States of the European Community. This was the culmination of years of activity going back to 1972.

An important part in this work was played by the UN Commission on the status of women, a body that may be compared to the corresponding committee of this Parliament. Thanks to the intensive and determined efforts of this commission, on which many developing countries are represented, a draft text could be submitted on the UN General Assembly in 1977. A working-group of the General Assembly subsequently worked for three years on the improvement of this text, the main problem being that of political feasibility: it must be borne in mind that 150 countries were concerned, with almost as many different cultures, traditions, political systems and customs, for whom a convention of this kind has to be acceptable. Whoever reads this Convention — and I hope that a number of Members have consulted this document and read it — can only have the deepest respect for what the United Nations have here achieved. It is an admirable document on human rights, of direct concern for half the world's population, a hopeful sign of goodwill and international solidarity with the cause of women.

With regard to women's rights, the countries of the European Community are not immune from criticism. In my own country, a recent investigation of the entire legislature in search of discriminatory provisions has

resulted in a book of many hundred pages and offers the lawyers who have to cope with this task a guarantee of employment for many years to come. From their own experience, many women can bear witness to the human misery that has resulted, and they are already doing so with success.

In many countries where human rights and the legal situation of women are at issue, all eyes are directed towards the European Community as a part of the world where human rights are taken very seriously. We have a good name in this sphere, and while it is always best not to be too cocksure, we must be proud of this reputation and always be prepared to show once more in practice that we deserve it. That is why it is of the greatest importance that the nine countries of the European Community should sign and ratify this Convention on human rights as rapidly as possible. An opportunity for signing it, the first step towards ratification, is to be provided this July at the United Nations Conference on the situation of women. It would be good if all nine countries of the Community were among the first signatories: 20 acts of ratification are needed for this Convention to come into force, and the European Community must not fail to be among them. Here both Commission and Council can play an important coordinating and stimulating rôle, and this motion calls on them to do so.

In addition, we ask the Commission to verify whether the European Community as such can sign and ratify this Convention. This is of great importance to us, since the text of this Convention gives us an excellent basis for a number of Community measures for improving the situation of women in our Member States. That is an important task not only for the Community but also for virtually all political groupings. We should be glad to hear from the Commission at the first opportunity — if possible, within three months — whether Community ratification is possible and whether the Commission can do anything towards this end.

This motion has been signed by a widely representative group of Members, and I would ask everyone to vote for it. If the women of Europe can count on our support, we shall be able to count on theirs, and such support from outside is sorely needed by our Parliament.

President. — I call Miss Roberts to speak on behalf of the European Democratic Group.

Miss Roberts. — Mr President, I am pleased to support this resolution on behalf of my group, although I should add a personal word to the effect that, if I had had any opportunity to influence the United Nations text, I would have sought to have discrimination prohibited against men as well as against women, because I believe that that is a more effective way of ending

Roberts

discrimination against either sex. However, we have to take the resolution as it comes to us from the United Nations.

The British Government voted in favour of the resolution, but with certain reservations. They were not reservations in principle, the principle of ending all forms of discrimination against women is fully accepted by the British Government — but reservations of substance. The UN text was rushed through without adequate opportunity to scrutinize the paragraphs or to introduce amendments. In some respects the text of the UN Convention is at variance with British law, which is more favourable towards women; for example, in respect of the nationality of non-British women marrying British men. Another example is eligibility for State pensions. We share the reservations of the British Government in this respect, because whilst, as I have said, we want to see an end to all discrimination against both men and women, I do believe that we should make a start by disadvantaging women, since they suffer from greater discrimination than do men. But with those reservations we support the motion and accept wholeheartedly the principle of ending all forms of discrimination against women.

President. — I call Mrs Poirier to speak on behalf of the Communist and Allies Group.

Mrs Poirier. — (*F*) Mr President, we cannot remain indifferent to all the efforts being made to combat discrimination and, in particular, discrimination against women.

Thanks to our broad — neither restrictive or selective — view of human rights, we see the campaign for the equality of men and women in all walks of life as one of the great causes of our time. We therefore welcome this international Convention on prohibiting any form of discrimination against women and lend our support to any steps designed to bring about its rapid signing by all the States in order to expedite its entry into force and strengthen so far as possible the obligation devolving upon each signatory.

Nevertheless, we cannot be taken in by the generous commitments accepted whether in this Assembly or outside. We are well aware of the degree to which the most progressive laws are respected when the power situation makes their enforcement impossible. I shall confine myself to two examples.

Although Council directives are in existence which apply the principle of equal pay for men and women, no effective measure has yet been taken to force employers to respect this principle in the various countries of the Community.

Secondly, although a Council resolution was adopted on 13 December 1976 on the subject of guaranteeing

to women equal opportunities for education, it may be observed that women still occupy subordinate, unskilled positions in our countries.

Experience shows that in every country the only real way for women to achieve this equality is to fight for it. Numerous resolutions of this parliament and many Council directives give fullsome recognition to the principle of equality, but they are all no more than a dead letter.

Before concluding, I have a reservation to express on the text of this motion concerning the signing of this Convention by the Community: there seems little point in this if the Member States themselves have already signed it.

We shall vote in favour of the motion tabled by Mrs Maij-Weggen and the other signatories.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) Mr President, a few observations from the Commission's point of view. First, a word of gratitude for the initiative Parliament has shown here: more specifically, I wish to thank Mrs Maij-Weggen, who has just introduced the subject and stressed that her initiative enjoys a broad measure of political support in this Parliament. The Commission is strongly in favour of the Convention, which is now on the table for signing and ratification by the member countries of the United Nations. We have been in touch with the United Nations' Secretary General about the World Conference of the UN Decade for Women, which is to take place in July this year in Copenhagen. On that occasion, the Commission is to be represented. It is to be hoped that we shall very soon have an opportunity for a further discussion of the subject in this Parliament, and for me it is particularly gratifying to find that the competent *ad hoc* committee is exerting every effort to this end.

The motion says that Parliament addresses an urgent appeal to the Council. Generally speaking, it is not usual for the Commission to speak on amendments which first have to be discussed by the Parliament itself. I would merely draw attention to the amendment tabled by Mr Beumer, that Parliament should state that it addresses an urgent appeal to both the Commission and the Council. I find this amendment particularly sensible, because the impression must be avoided that on this subject we only have to deal with the Council. Speaking on behalf of the Commission, I shall be very glad to do what I can to get the Convention signed and ratified by the nine Member States of the European Community — if possible, at the Conference in Copenhagen.

The Commission would, therefore, be very willing to respond to an urgent appeal and is also prepared to examine the question whether the European Commu-

Vredeling

nity as such can sign the Convention. In this connection, I leave open the question of the relative competence of Council and Commission: they will both be present, but this is a matter we must settle with the Council ourselves.

The Commission is asked to report to Parliament on this subject in the near future. We are now in the month of March: that would therefore probably be in July; I think we shall be able to comply with the request in July. Mrs Maij-Weggen will probably agree that on that occasion we should inform the *ad hoc* committee on the question of a signing and ratification of the Convention by the European Community as such.

At the moment the Commission is preparing its contribution to the Copenhagen Conference. This motion contains a number of things which do not directly fall within the Commission's competence and in some cases not even within the competence of the Community as such; but at first sight the Community as such would appear to have certain powers in this field — one only has to think of certain directives, for example — and we shall certainly shoulder our responsibilities and exercise our rights in the matter.

President. — I call Mrs Maij-Weggen.

Mrs Maij-Weggen, rapporteur. — (NL) Mr President, I can assure the Commissioner that Mr Beumer's amendment has the hearty support not only of the rapporteur but of all the signatories.

President. — The debate is closed.

The motion for a resolution will be put to the vote at the end of the sitting.

13. Elections in Zimbabwe-Rhodesia

President. — The next item is the motion for a resolution tabled by Mr Penders and others, on behalf of the Group of the European People's Party (C.-D. Group), on the support measures to be taken following the elections in Zimbabwe-Rhodesia (Doc. 1-11/80).

I call Mr Fischbach.

Mr Fischbach, deputy rapporteur. — (F) Mr President, this motion for a resolution, for which my group requested and obtained urgent procedure, is mainly prompted by a desire to support the victors in the first free and democratic elections in Zimbabwe in their efforts to install a pluralist political régime and introduce a lasting peace in their country.

My group wishes to congratulate the Government of the United Kingdom, not only on the extraordinary determination and circumspection with which it brought the Lancaster House negotiations to a conclusion, but also on the impeccable way it ensured the orderly and just conduct of this country's first free and democratic elections. Herein lies its incontestable achievement, the credit for which in the last instance devolves upon Lord Soames, who, with admirable skill, finally won a bet which some, including a number of informed observers, had originally regarded as impossible.

It is now, a few weeks before the proclamation of Zimbabwe's independence, the undoubted duty of this Parliament to draw the attention of both Commission and Council to the responsibility that our Community bears towards a country which, in so far as it opts for peace and democracy, will not only set an example for other countries in that region but will also have all the trumps in its hand for exercising a determining influence on the political situation in Southern Africa.

The chances of this happening and the hopes for a consolidation, for a new democratic régime in Zimbabwe, are particularly justified in that the man who won the resounding victory in the elections, Mr Robert Mugabe, seems to be equal to his task and interested above all in the welfare of his people and roundly declares that he is for peace in his country.

Some confirmation of this impression may be found in the composition of Zimbabwe's first free government, which includes politicians of all colours and has all the appearances, at least, of what one might call a national unity government.

The fact that this first Rhodesian cabinet contains two prominent persons of European origin, two white ministers, emphasizes Mr Mugabe's good intentions and his anxiety to see his country develop along the lines of equilibrium and pluralism, and the fact that these two ministers have been offered the portfolio for commerce and industry and the portfolio for agriculture emphasizes the importance attached by the country's new leaders not only to its economic development but also to a gradual but equitable redistribution of land and other means of production.

In a word, short of surprises, from which the country is obviously not immune, we scarcely have reason to doubt the sincerity of a man to whom the Rhodesian people, in free and democratic elections, has just entrusted its future. Hence it is incumbent upon our Community to show not only its understanding but also its support for Zimbabwe, a country which is apparently determined to break forever with the past without, however, forgetting that a policy of caution and even of compromise will in the end prove the only possible way of allowing the country to develop in democratic and peaceful conditions.

Fischbach

In the view of my group, our Community must contribute as far as it possibly can to the success of such a policy. Obviously, this support must primarily be in the economic sphere. By making our contribution to Zimbabwe's economic development, either under Lomé II or by means of investments by the Member States, we shall be doing at least something for a country which obviously can only re-establish itself if it can count on a certain degree of interior economic stability.

These are the reasons why my group recommends the adoption of the present motion for a resolution.

President. — I call Mr Glinne to speak on behalf of the Socialist Group.

Mr Glinne. — (*F*) Mr President, my group is highly gratified by recent developments in Zimbabwe, first of all, because its inhabitants, whatever their ethnic affiliations, have returned to peaceful conditions after such a prolonged period of bloodshed, but also because in this crucial region an escalation has — let us hope — been avoided which might have led to extremely dangerous and at least indirect confrontations between the superpowers.

The substitution of a political solution for armed conflict was a predominating feature of the Lancaster House agreements, but we have noted — and I point this out to our colleague — that these agreements include some fairly conservative clauses such as that freezing the system of land ownership for a considerable number of years.

We have noted the victory of the Patriotic Front in the recent elections. This we find gratifying, primarily because it means that priority will be given to the interests of the majority of the population, but also because — and we do not hide the fact — we have for many years maintained special contacts with the leaders of both flanks of this Front.

So much for our position as regards the substance, Mr President. As regards the motion for a resolution, we would have preferred an opportunity of negotiating with the other main political forces represented in this Parliament so as to table in good time a text reflecting the widest possible consensus. As it is, without wishing to indulge in chicanery, the document before us is for us unsatisfactory.

Thus, the second indent of the preamble refers to the fact that the elections were free and equitable, and the preceding speaker congratulated Lord Soames on this. I acquainted myself, on the spot, with the orders issued by the Soames Government on 6 and 13 February: I pay homage to the vigilance exercised by the front-line States, thanks to which these orders had no more than a certain dissuasive intellectual effect and

were not effectually applied on the ground, for, if they had been, whole districts in Zimbabwe-Rhodesia would have been prevented from taking part in the elections.

However that may be, the object of my critical remarks is not the preamble but the main text of the motion, and I should now like to move the amendments. First of all, the 'freely democratic development' mentioned in paragraph 1 can be understood in more than one way. If it means political pluralism, we would say yes; but what is freely democratic development? Do these words allude to some economic option, for example? We prefer the more carefully formulated wording proposed in our Amendment No 1.

Secondly, I understand that the present authorities in Zimbabwe, with the cooperation of the governments of neighbouring countries, are taking steps to arrive at a more precise assessment of the Lomé Convention, with all its good qualities and with the few faults that it has, and I do not think it politically wise to express oneself in the way paragraph 2 of the motion does. Our wording, I think, is more supple and more suitable: 'The Lomé II Convention is open to new Member States who apply for membership themselves'. This way of putting it is, I think, better designed to take account, not only of the susceptibilities of the authorities in Salisbury, but also, I would say, even of a certain degree of distrust to which they are presently liable with regard to the Lomé Convention — although we hope that Zimbabwe will be in a position to join this Convention as soon as possible.

Thirdly, paragraph 3 of the motion talks about strengthening investments from Community Member States, and that indeed may well contribute to the country's economic stabilization and positive development. But, Mr President, we are talking about a country that has recently arrived at true political independence as a result of the clearly expressed will of its population: all countries receiving investments from the Community have adopted national codes which lay down certain régimes, certain favours or control measures with regard to investments, and I think one has to envisage investments as running parallel to the adoption by the Zimbabwe authorities of measures designed, in the interests of the people of the country, to keep the policy from outside under control.

Finally, I come to that element which is probably the most likely to raise some controversy on other benches in this Chamber — that is, our Amendment No 4, which seeks to add a new paragraph in which the Parliament says that it 'expects the South African Government to refrain from any interference in the internal affairs of Zimbabwe'. When the members of the Joint Committee of the ACP-EEC Convention met at Arusha from 25 to 28 February last, they were not afraid to refer to this danger very explicitly and much more wordily than we do. South Africa has managed to maintain correct relations with its neighbour Mozam-

Glinne

bique, but the relations it has had during the last few years, even the last few months, with Rhodesia, relations characterized by interference in the form of an expeditionary force of 2 000 men wearing Rhodesian Army uniforms, are no more calculated than its relations with Angola to reassure us with regard to the present intentions of the South African Government. We think it is very important to insist, by means of a single phrase, that the South African Government refrain from any economic — and, of course, military — interference in the internal affairs of Zimbabwe.

Those are the main points I wanted to make about the amendments we have tabled. I insist upon the last of these and regret that while a consensus was sought and reached, first among the Europeans, then among all those attending the ACP-EEC Joint Committee meeting at Arusha, obviously no attempt has been made to reach a similar consensus in good time in this Chamber, for this would doubtless have enabled us to reach a spontaneous agreement.

President. — I call Mrs Poirier to speak on behalf of the Communist and Allies Group.

Mrs Poirier. — (*F*) Mr President, I wish I could believe that the EPP's concern for the victorious guerillas, so ostentatiously expressed in this motion for a resolution, was exactly the same this time last year. With this motion, the attempt to catch up with events really reaches the absurd, quite apart from the fact that this debate does not fall within this Parliament's competence.

The results of the election will naturally be respected by the country's political leaders and by the entire people, since it is their election and their victory. Like a number of our colleagues, I was in Africa when the results were proclaimed, and I witnessed the joy and immense satisfaction expressed in the neighbouring countries, who are in complete sympathy. But I agree with Mr Glinne that if a risk exists, it comes from outside, from the aggressive designs of South Africa and from the very existence of *apartheid* on the frontiers of this newly independent State. This new State, on the other hand, intends to maintain good neighbourly relations and has said so, loud and clear. All these things, curiously enough, are ignored by the resolution.

As to this country's future development, I am sorry, Mr President, but what impertinence there is in this motion, what contempt, in fact! Zimbabwe can do this, Zimbabwe can do that, it has the EPP's permission. Can you imagine, ladies and gentlemen, the newly-elected parliament of this country solemnly stating that it 'trusts' that the European Community 'will develop on a freely democratic basis'? Can you imagine this country stating its belief — and I am us-

ing the terms of the motion — 'that it is necessary to strengthen' the Community Member States' 'economic structure without delay'?

Our economy is hardly one to set an example. We pass our time in explaining to the developing countries that we cannot give them any more aid because we are in the midst of a crisis. Aren't you just trying to keep in reserve, though in another form, opportunities for making capitalist profits, hoping the while that the Bordeaux docker or the British steelworker will be taken in?

A response to the appeal launched by the new Finance Minister of Zimbabwe for large-scale international aid would be another matter. According to an AFP report, this minister has stated that the former British colony would accept economic assistance and investments from Western countries as well as from Eastern countries provided no strings were attached; but that is by no means the spirit in which the motion now before us was conceived. As for the amendments, they speak, not of what does depend on us — that is to say, direct Community aid — but of investments in general, and these are exclusively a matter for Zimbabwe. Consequently, we shall take no part in the voting, either on the resolution or on the amendments.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (*I*) Mr President, the Commission is highly gratified by the progress made by Zimbabwe along the road to peace, democracy and independence. On 7 March, President Jenkins sent a message to Prime Minister Mugabe expressing these sentiments, and so the Commission can only subscribe to the wish expressed in the motion to support Zimbabwe in its democratic development and encourage its efforts in the economic sector.

This wish corresponds to the first paragraph of the resolution adopted by the ACP-EEC Joint Committee at Arusha on 28 February 1980. The Commission agrees on the need to assist Zimbabwe's economic development, either at the Member State level or at the Community level. As regards this latter, the Lomé II Convention offers an ideal framework for cooperation between the EEC and Zimbabwe as soon as its government has been recognized by the African States and accepted by the entire ACP group. It also presents a particularly suitable framework for regional cooperation between Zimbabwe and the African States and for the economic development of all interested countries.

President. — I call Mr Fischbach.

Mr Fischbach, deputy rapporteur. — (*F*) Mr President, passing over the arguments advanced by Mrs Poirier, which at the most go to show that there are still some

Fischbach

colleagues in this Chamber who do not seem to have understood the workings of this Parliament, I should like to deal with the four amendments tabled by the Socialist Group.

My group can agree to the beginning of Amendment No 1, which says that the Parliament 'welcomes the political evolution in Zimbabwe'; but the second clause, referring to the 'creation of democratic institutions', we can accept only if these 'democratic institutions' are understood to mean the free and democratic elections which have taken place in Zimbabwe. For the moment, nothing more can be said about democratic institutions. That having been said, we have little difficulty in accepting this amendment.

The situation is different with regard to Amendment No 2, which 'stresses that the Lomé II Convention is open to new Member States who apply for membership themselves'. I remind the House that our version says that 'Zimbabwe may, should it so wish, accede as soon as possible to the Second Convention of Lomé'. The meaning of the two versions is therefore the same, except that the Socialist amendment also mentions other Member States, and in view of the fact that our version refers to Zimbabwe, we cannot agree to the wording proposed by the Socialist Group.

On the other hand, we are prepared to accept the Socialist Group's third amendment, which 'believes that it is essential to encourage new investment in Zimbabwe, naturally on the basis of observance of the rules on investment to be determined by the country in question'. This seems self-evident, but it may gain by being said.

We cannot agree to the fourth amendment, since this would be an outright warning issued by the Parliament to the Republic of South Africa. This resolution is mainly prompted by a desire to see, and to help, the Rhodesian people progress along the path of democracy and pluralism. We are not speaking here of the neighbouring countries or of the region of Southern Africa, only of Zimbabwe, and if one wanted to mention other countries, one could not confine oneself to the Republic of South Africa, since that is not the only source of danger from outside. We cannot, therefore, accept the Socialist Group's fourth amendment.

President. — The debate is closed. The motion for a resolution will be put to the vote at the end of this sitting.

14. *Emergency aid for Brittany*

President. — The next item is a joint debate on:

- the motion for a resolution tabled by Mrs Le Roux, on behalf of the Communist and Allies Group, on

emergency aid for Brittany hit by a new oil-slick (Doc. 1-12/80); and

- the motion for a resolution tabled by Mr Josselin and others, on behalf of the Socialist Group, on aid for regions afflicted by oil-slicks (Doc. 1-19/80).

I call Mrs Le Roux.

Mrs Le Roux. — (*F*) Mr President, the people of Brittany today are overcome by hopelessness, indignation and wrath as a result of the latest environmental disaster caused by the wreck of the Madagascan tanker 'Tanio'. We do not want our region, celebrated for the beauty of its coastline, to become generally known as a cesspool and burial-ground for oil-tankers. The 'Torrey Canyon', the 'Böhlen', the 'Gino', the 'Amoco Cadiz' and now the 'Tanio' — the list is a long one and should be enough to alert the authorities as to the risks incurred for our coasts with the passage of 450 million tonnes of petrol every year.

I am sorry that Mr Delorozoy has left, since I could have told him that it needed several days of pointless investigations to persuade the French Government to launch the 'Polmar' plan, and even now the French authorities continue to minimize the consequences. It is high time the law of the sea was seriously applied to this *danse macabre* of the oil-tankers. The sea cannot be at the same time the trashcan of humanity and its larder. The Community must adopt more binding regulations to control the movement of vessels carrying harmful substances. If security regulations are tightened up, the oil companies must bear the financial consequences: their fabulous profits won't suffer too much under the burden. They must be made to tighten their control of vessels' movements, ensure their more rigorous design and construction, subject oil-tankers to close and frequent inspection and ensure that all of them have the latest equipment for dealing with emergencies. The extent and conditions of liability for damage will also have to be reconsidered as against the situation laid down by the Brussels Conventions of 1969 and 1971. Finally, we must resist the use of flags of convenience, which flout all the rules and play at sea-pirates.

With regard to the environment, the Community has a truly positive rôle to play by providing a framework for real cooperation among the Member States in exploiting and protecting their natural heritage and harmonizing those of their laws which serve to protect that heritage from pollution. That kind of Europe would receive a much heartier welcome among the population than that marked by integration, which, in its way, merely transforms our regions economically into threatened zones. Today, this House, by its vote, can do something useful and constructive to encourage the Community authorities to come to the aid of Brittany, which has been hit by an oil-slick, and to help overcome as rapidly as possible the environmental, economic and human effects of the shipwreck of the 'Tanio'.

President. — I call Mr Josselin.

Mr Josselin. — (*F*) Mr President, as Mrs Le Roux has just indicated, less than two years after the 'Amoco Cadiz' disaster and exactly one week ago, the 'Tanio' broke in two and released 3 000 tonnes of oil, which has already affected some 50 kilometres of the coast of the Côtes du Nord department. While the after part of the vessel is now safe in Le Havre, where the 12 000 tonnes it contained are going to be pumped out, the 10 000 tonnes in the forward part are still submerged at a depth of 80 metres. Our fears are confirmed by the latest observations: this oil is escaping and in the next few days the pollution of the Breton coast will begin once more.

There is no need to stress that, as Mrs Le Roux pointed out just now, the people of Brittany are moved by a mixture of resignation and wrath, since every time — though I hope that this time will prove an exception — they are forced to hear the same patter. There are reactions, there are speeches, investigations are launched and the Commission is asked to submit proposals. In 1978, for example, the Commission submitted proposals to the Council in April and on 26 June the Council adopted a resolution, to which I shall refer in a moment. But time passes, things are forgotten and the disasters recur — originally about once a year, later once a quarter: soon it will be daily.

Obviously, Parliament is a suitable place for discussing these matters. It is not my intention to excuse the Member States, and certainly not the French Government, for what they have failed to do in good time, but it is only too clear that this kind of accident can only be prevented by the adoption of international or at least Community solutions. This is the point of the motion for a resolution that I have tabled, and I thank the House for agreeing to debate it by urgent procedure. It will at least reassure the people of Brittany that they can count on the support of our Parliament.

I should like very briefly to restate here what appears to be the minimum in the way of measures for preventing as far as possible a repetition of such accidents. First of all, there is the problem of rules, of safety standards, as regards not only shipbuilding — there has been talk of the double hull — but also the maintenance of vessels and the qualifications of the crews. These standards already exist, they have been laid down by the IMCO; it only remains for the Member States to adopt them, and I would like to see the Parliament ask the Commission to submit a proposal for a Council directive which obliged the Member States to subscribe to the international conventions which lay down these various standards.

Adopting standards, however, is no use unless they are put into practice and sanctions applied. One only has to think of the malpractice of changing the identity of vessels and dissimulating them under a new coat of

paint — if it was a coat of paint and not, unfortunately, of rust. What we need, ladies and gentlemen, is a kind of personal dossier for each vessel that transports dangerous products. We need, as it were, their finger-prints in order to be able to keep a check of them during their various changes of identity. The 'Tanio', for example, was a French vessel that had been registered under the Madagascan flag for the very simple purpose of being able to take the crew on at lower rates of pay — and that is only too often the cause of these disasters. I repeat, we need to keep a dossier, and this was the point of the Council's proposal of June 1978 for the establishment of a data-bank. This data-bank is, to my knowledge, still not ready, and I should like an explanation from the Commission on this point. Then we need a joint system of investigation and control facilities: I can see the day coming when we shall have an integrated Community system of such facilities relating in particular to the passage of vessels through the Channel.

Those, Mr President, are my reasons for tabling this motion for a resolution. Allow me, in conclusion, to put a number of more direct questions to the Commission. Can the Commission give us a progress report on the specific measures envisaged in the communication it addressed to the Council in April 1978? What are the reasons blocking the Council's adoption of the proposal for a directive which, through legislation by the Member States, would give legal force to the IMCO's recommendations relating to control measures? Why has the Commission not yet tabled the second proposal for a directive on standardizing the methods of inspection applicable to vessels in EEC ports? What has happened to the plan, already envisaged by the Community, for setting up a data-bank, to which I have already referred and which would enable port authorities to keep a blacklist of vessels banned from entering Community ports?

Those are the questions I wish to raise this morning, in the hope that they will receive a speedy reply. Above all, I hope that this latest accident will not lead to the same results as hitherto — that is, that it awakens interest at first and then, I regret to say, is forgotten.

THE CHAIR: MR ROGERS

Vice-President

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (*I*) Mr President, the Commission joins wholeheartedly in deploring the dramatic succession of incidents with grave consequences for the environment, the latest of which has prompted the motions tabled by Mrs Le Roux and Mr Josselin and is the subject of this debate.

Giolitti

The Parliament is aware that the European Council has decided that the Community must give priority treatment to the prevention of pollution caused by the release of hydrocarbons into the sea. In the Commission's view, the essential thing is not so much to adopt a stricter régime of controls as to make sure that existing international standards are properly observed by all vessels sailing in our waters and entering our ports. This is a field in which the Community can and must assume an important rôle, and the most important thing of all is to promote the entry into force of the conventions that have already been drawn up.

As has already been pointed out, the Council adopted in 1978 two recommendations urging the Member States to ratify, within certain definite time-limits, all the IMCO conventions. Subsequent action must be designed to ensure that these conventions, once they have entered into force, are genuinely applied by the Member States to all vessels entering their respective ports. In this connection, the Commission has already proposed to the Council a decision which would render obligatory certain procedures for the inspection of vessels by the authorities concerned: these procedures had been recommended to the Member States by IMCO and consequently were not yet obligatory.

However, the Council has not yet adopted this proposal, which certain Member States see as implying a transfer of powers to the Community. The Commission nevertheless intends to submit to the Council as soon as possible a further proposal which would oblige Member States to identify any vessel entering their ports which fell below the standards laid down in international conventions and to require the vessel to take the necessary measures to conform to these standards before leaving port. In the Commission's view, the adoption of this measure would mean that sub-standard vessels would no longer venture into Community waters, and it hopes that it can count on the support of this Parliament in getting this measure approved by the Council.

Finally, with regard to paragraph 5 of the motion tabled by Mr Josselin and others, I can assure the House that the Commission is prepared to supply the appropriate committees with any information they may need for a better understanding of this problem.

President. — I call Mrs Dienesch.

Mrs Dienesch. — (*F*) Mr President, obviously, all I can do is to stress the profound concern felt by the people of Brittany, who, as my colleagues have just stated so aptly, are particularly hit by the repetition of these accidents at sea.

I entirely agree that we must first of all come to the aid of these regions which are not in the least responsible for the disasters which have overtaken them.

These disasters are in fact consequent upon the lax attitude shown by this Assembly, as also by our countries and in the international world. The preventive measures referred to would cost us infinitely less than the damage that is being suffered. The immediate damage can perhaps be assessed, but future damage to the seabed, to marine fauna and flora, cannot yet be estimated, especially when these accidents occur repeated by in the same region.

Among the preventive measures that we have to take, the most urgent are control measures. We must be particularly energetic in exercising a strict control, not only of the sea-lanes used by these vessels, but also of safety standards, because in the most recent accidents we have, I think, been confronted by evidence of crew's incompetency and consequently of a deplorable irresponsibility on the part of those in charge. As has been pointed out, these vessels are often old and ill-equipped to survive bad weather conditions and their crews are not adequately qualified.

We must therefore aim at a system of international responsibility, since something of value for the whole of Europe is, as it were, at stake. In this instance, it is not only Brittany that is hit but also the many Europeans who come from all the countries around to admire and enjoy what is perhaps one of the most attractive beauty-spots in Europe. We must therefore press all the more urgently for measures to be taken — and not only taken but also applied! That is the point we must insist on especially, because we often have excellent laws which are not applied vigorously enough. Finally, with accidents of this kind, it is better to spend money at the risk of spending it for nothing than to put off the expense at the risk of afterwards incurring much greater damage, both in human and in economic terms.

President. — The debate is closed. The vote will be taken at the end of the sitting.

15. *Situation of the hostages in Iran*

President. — The next item is the motion for a resolution (Doc. 1-18/80) tabled by Mrs Weiss and others, on behalf of the Group of European Progressive Democrats, on the situation of the hostages in Iran following the failure of the UN mission.

I call Mrs Weiss.

Mrs Weiss. — (*F*) Mr President, having carefully listened to those who objected to urgent debate, I maintain all the reasons I gave by way of justification. The taking of hostages is such a grave crime and weighs so heavily on international relations that further comment is unnecessary.

Weiss

I would, however, make two points. First, there is some point in the Member States of the Community bringing all the weight of their authority to bear before the Hague court. Secondly, it is essential that Europe continue to make its voice heard, even in the moral desert which the West as a whole seems to be passing through.

President. — I call Mr Habsburg to speak on behalf of the Group of the European People's Party (C-D Group).

Mr Habsburg. — (D) Mr President, as a matter of principle we are not keen on requests for urgent debate; but if we give this request our wholehearted support, we have definite reasons for doing so. Today elections are taking place in Iran, and Mr Bani-Sadr, the Iranian President, in a statement this very morning gave certain indications that he is pursuing a different line from the fanatics who are still in the American Embassy. Of course one can say that these are only words and that tomorrow perhaps everything will be different; but I believe that we as Europeans must give our support to anything which offers the possibility of a solution to this important question.

We also support Mrs Weiss's motion for a resolution for another reason, and here I wish to draw attention to paragraph 3 of the motion, which refers to the need for Europe to take up the case before the Court of Justice at The Hague. We must be quite clear that today we are in a very dangerous situation, in which international law, one of humanity's greatest achievements, is being gradually broken down. I therefore believe that we Europeans are above all called upon to do everything we can to ensure the survival, or rather the reinstatement, of international law throughout the world.

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

Mr Martin. — (F) Mr President, I rise for what one might call an 'explanation of non-vote'. Once more we are in the middle of a debate which is manifestly outside the competence of this Assembly. In accordance with our usual practice, therefore, we French members of the Communist and Allies Group refuse to take part in this debate, which falls outside our competence.

President. — The debate is closed.

The vote will be taken at the end of the sitting.

16. *Regulation extending the arrangement applicable to trade with Cyprus*

President. — The next item is, without debate, the report (Doc. 1-733/79) by Mr Seal, on behalf of the Committee on External Economic Relations, on

the proposal from the Commission to the Council (Doc. 1-642/79) for a regulation extending the arrangements applicable to trade with the Republic of Cyprus beyond the date of expiry of the first phase of the Association Agreement.

I note that no one wishes to speak.

The vote will be taken at the end of the sitting.

17. *Transitional Protocol to the EEC-Cyprus Association Agreement*

President. — The next item is the report (Doc. 1-822/79) by Mr Seal, on behalf of the Committee on External Economic Relations

on the communication from the Commission to the Council (Doc. 1-757/79) on the negotiations between the European Economic Community and the Republic of Cyprus for the conclusion of a Transitional Protocol of the Association Agreement.

I call Mr Seal.

Mr Seal, rapporteur. — Mr President, Parliament is being asked today to consider these reports by the Committee on External Economic Relations concerning negotiations on the Association Agreement with already exists between the EEC and the Republic of Cyprus.

The first report, if approved, will enable the Commission to extend unilaterally until 31 March arrangements which are applicable to trade between the EEC and Cyprus. The second report, if approved, will allow the conclusion of a transitional protocol to the Association Agreement. I hope that Parliament will adopt both these reports, because until we do, the cost of trade to Cyprus will be some 7 million u.a. per year higher than it should be. The importance that Cyprus attaches to this proposal is underlined by the fact that the Cypriot Ambassador to the Community, Mr Agatopoulos, is, I understand, in the gallery for this debate today.

I should like to take advantage of this debate to make some general remarks about the problems arising from the relationship between the Community and Cyprus, remarks which will be rather wider than the subject matter of these proposals themselves, because the proposals themselves are basically technical and concern

Seal

only customs tariffs. I would recall to the Parliament that this Eastern Mediterranean country has political, strategic and cultural ties of considerable importance with the Community. The Republic of Cyprus is situated in a region with particularly complex political and economic problems. In the Eastern Mediterranean, as we know, there are not only the typical problems of relationship between East and West, but also the relationships between industrialized countries and those countries whose economic development has not yet been brought up to a similar level. In this area, which includes countries such as the Lebanon, Egypt and Israel, one can see that Cyprus can play a most important rôle in the overall political balance. This, Mr President, is why it seems to me essential to establish a relationship with Cyprus not only within a technical and commercial framework but also, and perhaps above all, in a political framework. It is here that the most important interests of the Community are to be found.

The situation at the moment in Cyprus is that in effect there are two separate countries on the one island; there are no legal links between the Turkish community and the Cyprus Government. Anything that the Community can do to ease the situation on the island would be welcomed by the Cypriot Government. Consequently, the Committee on External Economic Relations feels that further studies should be carried out over the whole field of EEC relations with Cyprus. The Community, as we know, is currently linked with Cyprus by an Association Agreement which is designed to contribute towards the economic and social development of the island, whose economy is characterized by the predominance of a Mediterranean type of agriculture. As far as other economic sectors are concerned, these have only reached a limited level of development and structure. The Community, we know, wishes to contribute towards the development and importance of these underdeveloped sectors, and the social and economic development of the people of Cyprus.

The present transitional protocol is intended to extend new tariff concessions to Cyprus in regard to their export of agricultural products to the Community, but I think that not only this Parliament, but also the Commission would agree that more can and must be done to help meet the needs of the economy of Cyprus. We must, I am sure, be prepared to offer greater concessions to Cyprus than we have done up to the present and we must also widen and increase in depth our relationship with this republic. I hope, Mr President, that the Commission representative will, today, say something in his reply about that possibility. Perhaps he could also give us some evaluation of the consequences of a possible increase in agricultural imports from Cyprus, bearing in mind that similar products are already being produced within the Community.

I would like to say in conclusion, Mr President, that while we can and should approve these proposals to-

day, we should, I feel, bear in mind the need to be prepared to take further measures and make further efforts to assist the development of the island. I hope I have pointed out the benefit that will accrue, from a political and strategic point of view, from an improvement in the relationship between the two parties. For this reason I am sure that Parliament will, today, approve these two motions.

President. — I call Mr Taylor.

Mr J.D. Taylor. — Mr President, I would like to endorse heartily everything that Mr Seal has just said in the wonderful way in which he presented his two reports to the House this morning. We in the United Kingdom have had many close contacts with the island of Cyprus and we particularly welcome efforts by the European Community to assist the people of that island — all the people of that island. It is, of course, unfortunate that since we first entered into an association agreement with Cyprus the situation within that island has changed somewhat dramatically. As Mr Seal quite rightly said, there are to all intents and purposes two *de facto* systems of government in the island, one in the south and one in the north. There is, in addition, the presence of army personnel from Turkey to a large extent and also from Greece in the southern part of the island, both nations claiming that they have treaty rights to have their forces present on the island.

These are some of the difficult background political circumstances that now exist in Cyprus, and they are not ones for us as a Community to become involved in, because in the end they are primarily ones to be solved by the two communities within Cyprus itself. But I think it should be said to the people of Cyprus that we here in Europe wish to help them, and we look forward to the day when Greek Cypriots and Turkish Cypriots can come together again to build a free, united and independent Cyprus with safeguards for its minority and also safeguards for its majority.

I have visited Cyprus for many years, both before the Greek Cypriots *coup* and since then and since the Turkish intervention as well — every year in fact for the past 8 years — and I know the great problems that now exist in that island. I know, of course, that the southern part is beginning to prosper well again but that the same cannot be said for the northern part of the island.

It is true, of course, that the Greek Cypriot administration is legally and constitutionally recognized as the government of Cyprus and it is therefore with that section of the community in Cyprus that the EEC negotiates. I would, however, like the Commissioner to make it clear to us today in what way the views of the Turkish Cypriots are taken into account, because they have difficulties. The Greek Cypriots themselves will emphasize that the Turkish Cypriots are the poorer

Taylor

section of the community, that their standard of living in Northern Cyprus is only half of that achieved by the booming economy in the southern part of the island. So that is the first thing I would like to know: what means of consultation are there between the EEC and the Turkish Cypriot community?

Then I would like to make some specific points about the trading problems being experienced by Cypriots in the northern part of the island. Whilst there is this great political problem in Cyprus, it is difficult for the Turkish Cypriots to export their agricultural products. In many cases, their ports and airfields are not internationally recognized. They are in a state of constitutional limbo, and whilst the provisions we are seeking to approve today — and which certainly I will be supporting — extend facilities to Cyprus, it is not yet clear to me that these facilities extend to *all* the people of Cyprus. It is important for the EEC, in its dealings with a divided island such as Cyprus, to be seen to be acting fairly and impartially towards both sections of the community. And so I would ask whether it is possible for potatoes — which are one subject in this provision — from Northern Cyprus to benefit from the provisions which we are discussing today, and if it is possible for potatoes from Northern Cyprus to benefit, how — since they are not allowed into Southern Cyprus — they can get from Northern Cyprus into Community countries.

Finally, Mr President, I want to refer very briefly to the Morphou district, which I visited last year, where there were many citrus farms dead through lack of irrigation. I understand that we as a Community were to give financial aid for an irrigation scheme there, and I would like to know whether that project is still under consideration by the Community and, if so, when it is likely to proceed.

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

Mr Marshall. — Mr President, one of the ironies of history is that Cyprus which is an island very blessed by nature has been very hurt by the actions of mankind. There are thousands of refugees dispossessed of their homes, businesses and most of their possessions. Despite this, the local economy has shown a remarkable resilience since the troubles of 1974 and the Cypriot community has taken a positive attitude towards Europe.

I welcome this transitional protocol, although it does not go as far as the Cypriot Government would have liked. One looks forward to the further negotiations mentioned in Article 1 and hopes that the Community will adopt a very positive approach to the requests and problems of Cyprus.

My colleagues and I are convinced that the Community should encourage the efforts of the Cypriot Gov-

ernment to promote stability and peace in their island. We must not interfere in their internal affairs. However, we recognize that Cyprus belongs to the Christian system of European civilization. We respect the determination of the government of Greece to allow the Republic of Cyprus to solve her own problems. The sandbags of Nicosia, Mr President, are as effective a barrier to the movement of people as the Berlin Wall. There is a fundamental injustice with 40 % of the island of Cyprus occupied by the 18 % of the population that is Turkish. I believe that Turks and Greeks can live in peace together. In the Cypriot village of Levkara, Turks and Greeks were able to live together in peace before 1974. In my own constituency, there are many Greek and Turkish Cypriots who are able to live together in peace. And I believe that if we leave Cyprus to itself, the Cypriots together could live together in peace and that is the object we all must seek.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, I had intended not to ask for the floor, but some speakers have raised certain questions on which it is, I think, my duty to furnish information on behalf of the Commission.

The Council regulation extending until 31 March 1980 the arrangements applicable to trade with Cyprus was necessary in order to avoid a legal gap in the Community's trade relations with Cyprus before the conclusion of negotiations for a transitional protocol for the Association Agreement. That is why the Parliament was not given an opportunity of expressing its opinion during the last part-session.

The Council regulation on the conclusion of a transitional protocol will regulate the Community's trade relations with Cyprus by extending the first stage of the Association Agreement until 31 December 1980. This protocol, which will enter into force on 1 April 1980, will maintain the concessions granted by the Community to Cyprus with particular regard to Cypriot exports of agricultural produce.

Finally, it must be borne in mind that this transitional protocol represents an intermediate phase in our relations with Cyprus inasmuch as a solution has to be found in the course of this year to the essentially political problem presented by the passage to the second stage of the Association Agreement, which envisages the realization of a customs union between the Community and Cyprus. Discussions to this end are in progress between the Commission and the Cypriot Government.

President. — The debate is closed. The vote will be taken at the end of the sitting.

18. *Regulations and agreements on fisheries*

President. — The next item is a joint debate on:

— Report (Doc. 1-624/79) by Mr Helms, on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-496/79) for a regulation laying down certain conservation and management measures for common fishery resources off the West Greenland coast applicable in 1979 to vessels flying the flag of Canada and repealing Regulation (EEC) No 1277/79;

— Report (Doc. 1-717/79) by Miss Quin, on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-449/79) for a regulation on the charging by the Community of a fee for permits authorizing a vessel flying the flag of a Member State of the Community to fish for salmon in the Swedish fishing zone;

— Report (Doc. 1-735/79) by Mr Nielsen, on behalf of the Committee on Agriculture, on

I. a proposal from the Commission to the Council for an amendment to the proposal for a Council regulation (EEC) establishing catch quotas for 1979 for fishing by vessels flying the flag of Member States of the Community for certain stocks occurring both in the maritime waters under the sovereignty or jurisdiction of the Member States of the Community and in those under the sovereignty of jurisdiction of Norway;

II. a proposal from the Commission to the Council (Doc. 1-542/79) for a Council regulation (EEC) providing for technical amendments to Regulation (EEC) No 587/79 laying down for 1979 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway; and

III. a communication from the Commission to the Council concerning the establishment for 1979 of the total allowable catch (TAC) for certain fish stocks existing within the Community fisheries zone;

— Report (Doc. 1-835/79) by Mr Enright, on behalf of the Committee on Development and Cooperation, on the

proposal from the Commission to the Council (Doc. 1-830/79) for a regulation approving the Agreement between the Government of the Republic of Guinea-Bissau and the European Economic Community concerning fishing off the coast of Guinea-Bissau and two exchanges of letters relating thereto;

— Report (Doc. 1-831/79) by Mr Woltjer, on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council (Doc. 1-830/79) for a regulation approving the Agreement between the Government of the Republic of Guinea-Bissau and the European Economic Community concerning fishing off the coast of Guinea-Bissau and two exchanges of letters relating thereto;

— Report (Doc. 1-829/79) by Mr Provan, on behalf of the Committee on Agriculture, on the

proposals from the Commission to the Council for

I. a regulation approving two agreements in the form of an exchange of letters between the European Economic Community and the Government of Canada concerning fisheries; and

II. a regulation allocating certain catch quotas between the Member States for vessels fishing in Canadian waters (Doc. 1-783/79);

— Report (Doc. 1-828/79) by Mr Kirk, on behalf of the Committee on Agriculture, on

the proposals from the Commission to the Council for

I. a regulation concerning, for certain fish stocks occurring in the Community fishing zone, the fixing for 1980 of the total allowable catches and the means of making the catches together with the share available to the Community (Doc. 1-729/79); and

II. a regulation laying down the arrangements for recording and forwarding information concerning catches effected during fishing activity by vessels of Member States.

I call Mr Tolman.

Mr Tolman, Deputy Rapporteur. — (NL) Mr President, my task is, I think, a very simple one. The report has been thoroughly and exhaustively discussed in the working-group and in the Committee on Agriculture: there is complete agreement on its content, and I think I can leave it at that.

President. — I call Miss Quin.

Miss Quin, rapporteur. — Mr President, the proposal that we are dealing with in my report concerns charging a fee for permits for fishing for salmon within the Swedish zone. When the Committee on Agriculture considered this proposal, it expressed such strong reservations about it that it decided, with myself as rapporteur, to call for the withdrawal of this proposal by the Commission. The reasons we did this were various, and I will very quickly go through them, given the small amount of time available.

The first reservation was that the system seemed far less fair than the previous system which had been in operation in Denmark and which consisted of a tax on salmon landings, whereas the new system would involve paying for a licence in advance. The new system would have the disadvantage that those fishermen who caught very little on their journey would have to pay the same as those who caught a great deal, and therefore, potentially, it seems far less equitable.

The Committee on Agriculture also felt that the information supplied by the Commission was not really ad-

Quin

equate. Although the principle of fishermen helping to pay re-stocking costs seemed a sensible one, the actual percentage they were being asked to pay seemed to us very dubious. The percentages mentioned by the Commission were between 50 % and 75 %, but there was no real reason why it should be either 50 % or 75 %, and indeed the economic implications of this were not made fully clear.

Another reservation that we had about the proposal was that it did not seem to be acceptable to those who would be most closely concerned by it. We felt that to proceed in this way was not a wise way of promoting certain fisheries policies. The fishermen, particularly in the Bornholm area, would have to pay very heavy financial burdens in order to be able to continue fishing, and they are fishermen who have had a difficult time in the last few years, when their situation has become increasingly difficult.

In conclusion, therefore, we felt that the proposal in its present form was not acceptable, that it should be a tenet of a sensible fishing policy that fishing communities which are traditionally dependent on this industry should have their interests taken fully into account. So for all these various reasons, we decided to ask the Commission to withdraw its proposal, and we hope that this will be accepted by the Assembly as a whole.

President. — I call Mr Battersby.

Mr Battersby, deputy rapporteur. — Mr President, this item covers much more than just the Norwegian fishery and the agreement with Norway. As you have seen, today we have seven reports on fisheries. We have the Law of the Sea, we have Mr Josselin's statement on pollution off the coast of Brittany. The sea is a very important part of our Community, and the fact that we are putting forward seven reports today emphasizes the fact that we do need a common fishing policy and we need it quickly. We cannot have the industry waiting and waiting indefinitely for agreement on this policy, which is vital to the future commercial existence of many individuals and many communities within Europe. This Parliament cannot accept a situation where agreement is postponed year after year, as trawler after trawler disappears from our waters and home catches are replaced by imports on a large scale at low landing costs from Iceland and other fishing nations, often below the economic landing costs of our own fishermen. Our European fisheries, properly managed, are a self-perpetuating, rich protein reserve providing millions of tons of food for our people. If we look ahead to the anticipated doubling of the world population by the year 2 000 and the need to conserve the food supplies of future generations, we must act now on the common fishing policy and not flounder on in this sea of uncertainty.

In connection with Norway and the Norwegian fishery, I must make specific reference to the state of our

deep-sea fleets. In 1972, Germany had a hundred trawlers over 500 tonnes on the high seas; in 1978, she had sixty. In 1972, Britain had 153, as against 71 by 1978. The numbers are falling and falling because of the lack of opportunities for these vessels. I admit that oil has had a lot to do with this, but the need for international agreements also comes into the picture. Because of this collapse, as one might almost call it, of deep-sea fishing major ports which have concentrated on deep-sea fisheries, including the Norwegian coastal fishery, have suffered grievously. I know from personal experience that Hull, in my own constituency, has suffered more than anywhere else, and we as a Community must give all possible help to the deep-sea sector of the fishing industry and the deep-sea ports in this present situation.

I have noted here that the Commission is to insist on the proper supervision of fishing in Norwegian waters. I think also the Commission must insist on proper supervision of our own vessels operating off the coast of Greenland. I know that Mr Lyngne has a problem in this area, where there has been severe misreporting of catches. If we are to have an effective fisheries policy, we must police and control efficiently. This applies to our own vessels fishing outside and inside our waters, because we cannot insist on other nations obeying our regulations if we do not obey theirs.

There is another problem which has occurred over Norway, and that is the dumping of cheap cod fillets in block form in the Community. When the Commission is negotiating with Norway, it should take this into consideration, because at the moment several ports and many fishermen are suffering because of our pricing system, because of our withdrawal price system, and the fact that it is completely out of tune with reality.

Finally, on this Norwegian report, which is a good report and one which I wholeheartedly support, I would like to say that in negotiations with third countries the Commission must get the maximum possible quantity of fish for us and not treat fish as a pawn in the political game. It is a very valuable protein resource for the Community, and it is essential that the Commission realizes this.

I would conclude very quickly by once again imploring the Commission and the Council to start moving and give us a common fishing policy before this summer, otherwise the industry is going to be in trouble.

President. — I call Mr Enright.

Mr Enright, rapporteur. — Fortunately, in the case of this agreement between the EEC and Guinea-Bissau we have not had to wait for what Mr Battersby has been complaining about — a common internal fishing policy. Indeed, the two sets of negotiations that have

Enright

been conducted so far, first with Senegal and now with Guinea-Bissau, have been extremely successful and set a very good example to the Common Market itself.

Fishing is clearly a very important matter for the developing world. We have had an annex to the Lomé II agreement on fishing and we had, the week before last, a very good debate at the ACP-EEC Committee meeting in Arusha. It is increasingly important to developing countries that they exploit their fish resources, but now that they have a 200 mile limit it is technically extremely difficult for them to do so. What is happening currently between the EEC and ACP countries is that a series of fishing agreements such as these are being drawn up which allow Community fishermen to continue to fish in their traditional areas. But it goes even further than that, because clearly the ultimate aim is to hand over the fishing to the countries themselves. Therefore we have included in this something which I consider to be extremely important — namely, a training programme for nationals. Now because the phraseology of the Commission's text is somewhat loose, we have asked that a report saying exactly what is happening should be submitted to the committee and to Parliament.

We also questioned the amount of compensation which was being paid to Guinea-Bissau for the gross registered tonnage caught: FF 420. When I came to compare this with some other payments which have to be made elsewhere in the world, it did seem a little low, and I would like the Commission to give us some reassurance about that.

The report also expresses the determination, previously expressed in the fishing agreement with Senegal, that these arrangements should continue to be looked at on a regional basis. Mr Battersby mentioned the difficulty of policing within the Community, but as you can well imagine, it is extremely difficult for countries in Africa and the Caribbean to police their areas. The result is that, as we know very well, large factory ships are frequently coming in and robbing these countries of the fish which is rightly theirs. With regional agreements we should be able more effectively to police these areas.

Finally, Mr President, we have recommended — and I do beg the Commission even in a time of budgetary stringency to take note of this — that a marine biologist should be appointed with special responsibility for those areas. If we are to fish properly, then we need to research properly, and I think it only right and proper that we do that research and finance it.

President. — I call Mr Woltjer.

Mr Woltjer, rapporteur — (NL) Mr President, we have already had one debate of this kind in this Parlia-

ment when we discussed the agreement with Senegal, and the report by the Committee on Development and Cooperation and the report now presented by the Committee on Agriculture display a remarkable degree of mutual conformity.

I only wish to deal with three points.

The Committee on Agriculture gives this agreement its wholehearted support, for it offers Italian and French fishermen a beacon from which they can once more take their bearings. Of greater importance, however, is the fact that an arrangement has been reached which, over and above its financial aspects, opens up for Guinea-Bissau the possibility of building up its own fishing industry. Nevertheless, I have a critical comment to make concerning the provision regarding a possible obligation for Community vessels to recruit up to 25 % of their crews in Guinea-Bissau. This may lead to difficulties, and a full explanation by the Commission is essential to both parties.

My second point concerns the need for a regional agreement. It is very important that similar negotiations should be opened with other African countries: besides Mauritania and the Cape Verde Islands, Sierra Leone and St. Thomas and Principe as well as Guinea have shown interest. As long ago as 1978, Mr Cheysson, during a journey through West Africa, raised the possibility of a regional fisheries agreement among the countries bordering the Gulf of Guinea.

In this connection, it must be pointed out that the extension of exclusive economic zones to 200 miles does not in itself offer any guarantee that these countries can exploit their natural resources on an equal footing with third countries. According to FAO statistics, 65 % of the catches in waters between Gibraltar and Zaïre are made by non-African countries and the greater part — 38 % — by Comecon countries. This, in contrast to the situation in Community waters, undoubtedly leads to over-fishing. The African countries have neither the material resources nor the expert knowledge required for the proper maintenance and management of fishstocks.

Community aid for the development of an indigenous fishing industry in West Africa may well prove inadequate. By the time this aid, which we greatly welcome, bears fruit, there will probably be no fish left for the African countries. We are therefore forced to the view that the Community must play an important part in building up a system of cooperation that will enable these countries to exercise an effectual control over catches made in their exclusive economic zones.

This we call for, in so many words, in paragraph 6 of the motion for a resolution, in which we urge the Commission to provide the necessary advice and technical assistance, including marine biologists, to the countries concerned. There must be no doubt that we wish to provide help in this important matter within

Woltjer

the short term, that is, we do not want to wait until a system of cooperation is brought into being.

Finally, I wish to say a word about the procedure, which was subjected to severe criticism in the Committee on Agriculture. It is not good enough that the Parliament should discuss the subject after the agreement has come into force. This morning, I found on my desk a paper from the Committee on External Economic Relations stating that that committee had discussed the matter with the Council under the Luns-Westerterp procedure and that the Council would in future inform the appropriate committees of this Parliament of the content of proposed agreements with third countries before these agreements had been signed. This we welcome, since otherwise, if the present practice continues, the Parliament will have no influence whatever on the content of such agreements. I must say, on behalf of the Committee on Agriculture, that we find this extremely important.

Mr President, I will leave it at that. Once more, the Committee on Agriculture unreservedly welcomes these agreements. It hopes that the European Community will assist the countries concerned in the management of their fishstocks and expresses the wish that in matters of this kind the Parliament will be consulted in good time for it to express its views on them.

President. — I call Mr Provan.

Mr Provan, rapporteur. — Mr President this report from the Committee on Agriculture concerns fishing arrangements with the Canadian Government and in Canadian waters. It has been discussed in the fisheries working-party and in the Committee on Agriculture, and it has found agreement in both those bodies.

Once more there is a legal problem, because we were not consulted as a Parliament by the Council before this arrangement was brought into operation. I realize the reasons for this inasmuch as the arrangement was only discussed between the Community and the Canadian Government at the beginning of December. However, to wait until this time of the year before it comes to the European Parliament is slightly wrong and is, in fact, a flagrant disregard of the rights of this Parliament. The opinion should have been sought before now.

Unfortunately, there are over a hundred cases of this sort of thing, and I gather the legal services are looking into it. However, we also ask in this report for the Legal Affairs Committee and the Political Affairs Committee to have a look at these matters and at the use of Article 103 by the Council, because we think it is totally wrong for them to use it so often and so much.

We are also asking that the Commission keep Parliament fully informed on negotiations with the Canadian Government, so that Members of this Parliament who are concerned with the Canadian delegation can be fully aware of the developing situation. There are quite a number of problems arising between the Community and the Canadian Government that will eventually require harmonious acceptance. We also point out that the new Canadian Minister of Fisheries and Oceans was, in fact, a member of the Canadian delegation to this Parliament. So we have good working relations with them and we feel that we should be kept regularly informed on these future negotiations.

This report deals with a continuation of a temporary agreement with the Canadian authorities on fishing arrangements. This agreement is being continued for a further year, and we are now in a period of substantive negotiations with the Canadian Government.

There are two things that must have full understanding. We urge that the Commission achieve a better coordination of fisheries management and trade negotiations, so that improved access to EEC markets for Canadian fish products may be traded for greater access by Community fishermen to Canadian waters. This, we feel, is imperative.

Since the Canadian Government in return will want to send in processed fish to this Community, what we, the Committee on Agriculture, say in this report is that the fishermen must not suffer as a result. The fish-processing industry in the Community must not suffer as a result of heavy importations into the Community, because the fish-processing industry, in fact employs far more people than does the fish-catching industry, and that has to be borne in mind.

We also talk in this report, Mr President, about arrangements between the Greenland fishermen and the Canadians. We feel that these arrangements are far from satisfactory at the present, and I know, in fact, that Mr Lynge, the representative from Greenland, wishes to say something on that. However, on the whole, Mr President, this report has been agreed and I leave it to Parliament.

President. — I call Mr Kirk.

Mr Kirk, rapporteur. — (DK) Mr President, I am glad to be able to present this report to Parliament, since what we are considering here is a first real step towards a common fisheries policy.

The Commission's proposal concerning total allowable catches for 1980 is truly the basis on which a fisheries policy should be built this year and in the future. I know and can tell the House that at its meeting of 29

Kirk

January the Council approved in principle the proposals submitted by the Commission, and there were only a few matters on which it sought further clarification. I can also inform the House that this report has been unanimously adopted by the Committee on Agriculture.

The report points out that the quotas recommended by the biologists for various species and in various areas are purely precautionary measures. Now, of course, the fixing of quotas will always be a matter of taking precautions, but have the biologists provided sufficient justification? As you can see from the annex to the report, there are no scientific data in the case of many areas and quotas to justify the recommendations which the biologists have made to the Commission and Parliament. What I wish to say, therefore, is this: should we, as Members of this Parliament, and should the Commission, as the body responsible for safeguarding the Community's fishing interests, allow ourselves to be dictated to by the biologists when they cannot show justification for the figures they produce? I think the answer must be: no, we should not. We must be sure that a balance is struck between the biologists' advice and feasible targets that can provide the best possible conditions for the Community's fishing industry.

I wish to point out that there is a great deal of uncertainty in the International Council for the Exploration of the Sea as to whether the target which has been set for the exploitation of sea stocks in the Community is the right one. Well, what is this target? It is to build up all stocks at one go to allow optimal exploitation. But all of us who know anything about nature know perfectly well that this is not possible. We cannot achieve optimal exploitation levels of all stocks all at once. This means that the theoretical basis on which the ICES is working cannot lead to the target that they are proposing to us Members of Parliament and to the Commission.

To give an example of biologists' advice, I would mention that there is a Dutch biological study which shows that, if the Community were to adopt the objective which the ICES has recommended, e.g., to double or treble the stocks of cod in the North Sea, it would mean that any gain achieved by that would be lost for other species of fish.

To make this point quite clear, let me say that it is very important for the competitiveness of the fishing industry, particularly in view of the steep increase in energy prices, that restrictions on catches should interfere with the existing structure of the Community's fishing fleets as little as possible. It is also very important that fishing activities should be as flexible as possible. As Mr Provan said, it is our task to protect the stocks and the fishing industry in the Community.

I recommend and hope that the House will adopt this report and that the Commission and the Council will follow our suggestions.

President. — I call Mr Lyngge to speak on behalf of the Socialist Group.

Mr Lyngge. — (DK) Mr President, first, very briefly, I should like to say, with regard to Mr Helms's report on fishery resources off the West Greenland coast, that he is right to stress the need for Community supervision. This is a theme which runs through the whole report, and rightly so.

We need Community supervision, not to prepare the way for some kind of Community force to be put in command of the national inspection fleets — it is important that the inspection fleets should remain a national matter —, but of an administrative nature to coordinate the national surveillance measures, since these are not adequate by themselves. We have seen that they are not adequate in our own country, where one Community country has tricked and deceived another Community country for years, a fact that was only revealed here a few months ago. We have known that for a long time. This kind of piracy must be punished and stopped, and that requires administrative measures.

I also endorse the request that Parliament be sent the communication on the disbursement of the Community's contribution to inspection and surveillance operations. Here, if I may, I would draw attention to a single small mistake — which is not Mr Helms's fault, because he knows better. The text says that the amount of 10 million u.a. paid to Denmark has been spent on the purchase of, among other things, one Grumman Gulfstream Roamer-3 long-range aircraft. The truth is that Denmark has obtained three such aircraft, but not from the 10 million u.a. I cannot refrain from citing a Greenland newspaper which quotes a captain in the Danish defence service as saying that the Community decided in 1978 to grant 70 million Danish kroner, 10 million u.a., for Danish fishery inspection in Greenland. But we have never seen any of that money in our accounts. It vanished straight into the State coffers, or so this captain alleges. I think it would be worth our while to keep an eye on what happens to the money which it is agreed should go to the national treasuries for specific purposes.

On Mr Nielsen's report, I will just underline the truth of the observation in paragraph 2, that the difficulties of reaching agreement with major fishing nations such as Norway have led to pressure to increase the permitted levels of catches, which can lead to the overfishing of certain stocks; and I would mention that the Commission — as we know — has granted Norway, for example, this year an experimental quota, a fixed quota, of 2 500 tonnes for prawns. This seems to me a contradiction in terms: 'an experimental fixed quota'. However, it has done so. I can only express the pious hope that the call made in the Helms report for administrative measures to monitor compliance with the quotas will also mean that strict supervision is de-

Lynge

manded in the seas of third countries, so that, for example, Norway cannot go and overfish our prawn stocks off Greenland. I am sorry to have to say this, but we are very distrustful of one another in this game and for very good reasons.

On Mr Provan's report, I shall simply say that I am glad it attaches such importance to safeguarding the interests of Greenland's salmon-fishers; and on the draft amendment tabled by Mr Moreland I would say that I cannot see that it makes any difference. It is obvious that we must revise the arrangements, but that must wait until the multilateral negotiations which are to be held between the USA, Canada and the Community.

President. — I call Mr Moreland.

Mr Moreland — Mr President, we discussed the subject of Canadian fishing arrangements at length at the meeting of the EEC-Canada delegation last November. It was a discussion at the highest level. The meeting was attended by my colleague Mr Provan and Mr Lynge and of course the Canadian Minister of Fisheries for Canada.

I just want to speak very briefly to my amendments and to say, first of all, that I think as a parliament we should give some consideration to the price of fish to the consumer and when we have an agreement which is in the interests of both the consumer and the fishermen I think it is worth emphasizing that in the motion before us. If I can put it this way, there are a lot more eaters of fish than fishermen.

My second point, relating to Greenland salmon, really does not disagree with the points put forward by our colleague, Mr Lynge. I simply question whether it is advisable to hold up the letters of agreement because of the controversy over Greenland salmon. I say this because I think it might be counterproductive to the Greenland interest. I say it also because I think this Community has not given enough attention to the problems of Greenland. It is a part of the Community and deserves as much attention as other regions. I merely question whether this is the right method at this time. After all, we have to bear in mind the needs of conservation with regard to salmon, and the fact that last year Greenland exceeded its quota by 200 tonnes. What we are looking for is a multilateral arrangement, and to prejudice this by holding up the letters of agreement would, I think, be a mistake.

President. — I call Mrs Le Roux to speak on behalf of the Communist and Allies Group.

Mrs Le Roux. — (F) Mr President, on behalf of my group I wish first of all to register a complaint and ask you to convey it to the Bureau. It is regrettable that

such important matters as fisheries, which make up such a large part of the economy of our countries, should always be dealt with late on a Friday morning. We should therefore consider how our debates can be reorganized so as to allow these questions to be discussed at a more favourable moment.

As regards the questions before us today, we are entirely in favour of genuine measures for the preservation and management of fish-stocks, in the interests, not only of fishermen, but also of our countries. In our view, scientific research and cooperation must be given a generous place and decisions must be based on recommendations of the ICES and the Scientific and Technical Committee for Fisheries, as recommended by Mr Nielsen in his report.

These measures must, however, reflect ecological necessities and the interests of all concerned, not just the unilateral interests of one or another country or category. We have our doubts, for example, about the practice of allowing certain countries to catch immature fish on an industrial scale for the purpose of making flour, which is an extraordinary state of affairs. At the same time, the quotas granted to France, in particular, are unduly small and reflect neither our food requirements, since we have to import the equivalent in value of nearly 60 % of our national production, nor our production capacities, since every year vessels are scrapped for economic reasons and fishermen are not exempt from unemployment. Thus, ten years ago, there were eight trawlers based on St. Malo which put out three times a year to fish for cod: today there are no more than four, and last time one of them had to remain in port.

Today, the fate of the French fisheries is decided almost entirely in Brussels, whether it be a matter of structures, prices, fishing-zones or quotas, and the French Communists and Allies insist that the French Government must take energetic steps to ensure that the rights of our country's fishermen are respected. Moreover, we cannot discuss this subject without expressing once again our profound misgivings as to the fate that is in store for this essential economic activity if the plans for enlarging the Common Market are carried to fruition. What do you intend to do, gentlemen of the Commission and of the governments of the Member States, when the Spanish fleet, whose tonnage is half that of the Nine put together and 2½ times that of the French fleet, arrives to fish without impediment in our waters? Then it will be too late. Once more, the little men, exactly as in agriculture, will be sacrificed to your policy of ensuring profits for the giants in the armaments industry, in agriculture and finance.

President. — I call Mr Skovmand.

Mr Skovmand. — (DK) Mr President, because of the time factor I must confine myself to the question of salmon-fishing in the Baltic.

Skovmand

The Commission's proposal on salmon-fishing in the Swedish sector of the Baltic seems perfectly reasonable. But it is not. If the proposal is implemented, it will mean that a small minority of Danish fishermen will be ruined. They will have to pay an average of 10 kroner per kilo for the salmon they catch, while everyone else will pay nothing. It really makes one wonder what goes on in the minds of people who can put forward such a foolish proposal.

Miss Quin's report states the problems connected with the proposal very well; and she comes to the very obvious conclusion that the Commission must take another look at the proposal and produce one that is more equitable.

That is not, however, the only reason why the proposal should not be implemented in its present form. There is the added complication that the Commission has tried in this proposal to smuggle in a charge that would give the Community a new source of income without applying the methods required in the Treaty.

We of the Danish People's Movement against the Community must speak out against such a procedure. The basis for work in the Community are the Treaties and we must abide by them. It is worth noting, by the way, that the Commission justifies its proposal among other things by reference to Article 43 of the Treaty of Rome. I really must ask those responsible to take a look at this article and see whether it contains anything that can be used in this situation. I do not think so myself, but perhaps the Commission has a special version of the Treaty which no one else knows about. Some may say that there is no call to take this proposal so seriously: Heaven knows, it is only a matter of one or two million kroner. But that is exactly why it would be wrong not to take it seriously, because it is in small matters such as this that the Commission can introduce new principles without anyone uttering a word in protest. Therefore, we in the People's Movement, must vote against this proposal.

President. — I call Mr Buttafuoco.

Mr Buttafuoco. — (J) Mr President, in view of the late hour I shall be extremely brief. The political party which I represent gives its support to the reports now before us and also to the arguments that have been adduced in support, though with some reservations, particularly as regards the belated consultation of Parliament, on which there is no intention to compromise, chiefly for reasons of principle that have nothing to do with the subject in hand. In our view, the Council of Fisheries Ministers, to judge by its meeting of 29 January, is moving in the right direction, and we confidently expect the good will expressed on the British side to find an echo in other situations existing in certain countries, which will help to overcome the legitimate reservations entertained by the Danish and other governments.

We are extremely pleased with the EEC-Guinea Bissau agreement, as also with the EEC-Canada agreement, above all for having taken into account, in the distribution of the quotas the particular requirements of my country. We take note of Mr Gundelach's statement concerning the Commission's intention to postpone the medium-term proposals, which for long have been under consideration by the Council, and to renew for this year the interventions in favour of in-shore fishing. Leaving aside individual problems, fisheries are treated as one single problem in order to be able to arrive at a common policy for the states of the Community and a normalization of relations among the countries concerned, also bearing in mind the results of the Third Conference on the Law of the Sea, which has been taking place during the last few days in New York.

As regards in-shore fishing policy, after so many assurances of agreement and support, I take the liberty of concluding, not with a 'happy ending' but on an acrid note. We have no news about the state of the negotiations between the Commission and Tunisia in this critical area, where serious incidents are still occurring which menace not only the economy of my country but also the lives of fishermen. The situation has, in fact, got worse and a new front has opened up, for in these last few days incidents have taken place in the waters round Malta, with fairly serious consequences for Italian fishing-vessels: these vessels have been confiscated and a number of fishermen detained.

Ladies and gentlemen, what we call for is an overall view. We should not neglect those situations and those areas that are particularly critical, like the one I have referred to, which has already been the subject of a big debate in this Chamber, and the Commission should undertake to do everything in its power to find a proper solution to this extremely grave situation.

President. — I call Mr Kirk.

Mr Kirk — (DK) Mr President, I wish to thank Miss Quin for the good report she has produced. I absolutely agree with her that the Commission's proposal must be rejected, because I am opposed in principle to any Community fishermen having to pay for rights acquired by the Community as a whole through agreement with third countries on reciprocal fishing-rights. This is of fundamental importance.

Another thing I wish to mention is that I put a question to the Commission and was told that I could raise it here in this debate on Mr Nielsen's report. I want to ask whether the Commission can confirm that the agreement with Norway on reciprocal fishing-rights for 1980 gives Norwegian fishing-vessels, factory-ships, the right to catch and process fish in Community waters. If this is the case, I wish to ask what the Commission intends to do to deal with the serious sit-

Kirk

uation which some of the Community's fishermen now find themselves in, since some Member States have accepted one of the Commission's proposals prohibiting factory-ships from operating in Community waters. What does the Commission intend to do to change the situation if it turns out that the Community's fishermen are being discriminated against and third countries are being allowed to do what the Community's fishermen are not allowed to do?

Lastly, I wish to say to Mrs Le Roux, in reply to her remarks on behalf of the Communist and Allies Group, that she has apparently misunderstood something when she refers to trash fish. What is trash fish, Mrs Le Roux? Does anyone in this House know? The honourable Member cannot get fish for human consumption from trash fish, that just is not possible. If we want to make the best possible use of the sea's resources, we must allow all possible forms of fishing to be carried on, taking account of the biological situation.

President. — I call Mr Vredeling.

Mr Vredeling, — *Vice-President of the Commission.* (NL) Mr President, I think it is only courteous towards Parliament to make a brief remark, particularly as fisheries certainly do not fall within my competence. I do not wish to provoke the impression that I have any expert knowledge whatever in this field, but, as you know, I have to replace my colleague Mr Gundelach.

Speaking generally, I wish to thank the committees concerned for the extremely thorough work they have done. The large number of rapporteurs is also an indication of the amount of work that has been done.

There are a few points that I have to make in connection with the somewhat disputed question of what has to be done with the money which, according to some, should not flow in the Community coffers. I should have thought that certain sectors stood to gain from the measures the Community has adopted, and in such cases, including the one under consideration here, it must be regarded as very reasonable that these sectors should contribute to the financing of the measures taken. To those who say, 'But the Community cannot do that sort of thing', I would reply that we do, fortunately, live in a Community based on law and that there is a Court of Justice. The Court of Justice has, in fact, expressly applied and confirmed this principle as such in its judgment concerning the notorious co-responsibility levy for milk, and I wanted to point that out in this connection.

Once more, I should like to thank the committees concerned and the rapporteurs warmly for their contribution to these measures. The Commission will take careful account of the observations that have been

made here and also of those contained in the opinions submitted.

President. — The debate is closed. The vote will be held at the end of the sitting.

19. Votes

President. — The next item comprises the votes on those motions for resolutions on which the debate is closed. I put to the vote the *Spinelli et al. motion for a resolution (Doc. 1-2/80): Air links with Strasbourg.*

The resolution is adopted.

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President. — We now come to the *Maij-Weggen et al. motion for a resolution (Doc. 1-6/80/rev.): Discrimination against women.*

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 1, tabled by Mr Beumer and seeking to amend the beginning of this paragraph to read as follows:

2. Calls urgently on *the Commission and the Council* . . .

What is the rapporteur's position?

Mrs Maij-Weggen, — *rapporteur.* (NL) Mr President, we find this amendment quite acceptable.

President. — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I now put Paragraph 2, thus amended to the vote.

Paragraph 2, as amended, is adopted.

I put paragraphs 3 and 4 to the vote.

Paragraphs 3 and 4 are adopted.

I now put to the vote the motion for a resolution as a whole, thus amended.

The resolution is adopted.

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President. — We now come to the *Penders et al.* motion for a resolution (*Doc. 1-11/80*): *Elections in Zimbabwe-Rhodesia*.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 1, tabled by Mr Glinne and Mrs van den Heuvel, on behalf of the Socialist Group, and seeking to replace this paragraph with the following new text:

1. Welcome the political evolution in Zimbabwe, which has resulted in the creation of democratic institutions, and wishes the economic development of the country to be encouraged.

What is the rapporteur's position?

Mr Vergeer, deputy rapporteur. — (NL) On behalf of the rapporteur, I wish to say that Amendment No 1 is acceptable to him.

President. — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

On paragraph 2, I have Amendment No 2, tabled by Mr Glinne and Mrs van den Heuvel, on behalf of the Socialist Group, and seeking to replace this paragraph with the following new text:

2. Stresses that the Lomé II Convention is open to new Member States who apply for membership themselves.

What is the rapporteur's position?

Mr Vergeer, deputy rapporteur. — (NL) The rapporteur is opposed to Amendment No 2.

President. — I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

On paragraph 3, I have Amendment No 3, tabled by Mr Glinne and Mrs van den Heuvel, on behalf of the Socialist Group, and seeking to replace this paragraph with the following new text:

3. Believes that it is essential to encourage new investment in Zimbabwe, naturally on the basis of observance of the rules on investment to be determined by the country in question.

What is the rapporteur's position?

Mr Vergeer, deputy rapporteur. — (NL) The rapporteur is in favour of Amendment No 3.

President. — I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

After paragraph 3, I have Amendment No 4, tabled by Mr Glinne and Mrs van den Heuvel, on behalf of the Socialist Group, and seeking to add the following new paragraph:

- 3a. Expects the South African Government to refrain from any interference in the internal affairs of Zimbabwe.

What is the rapporteur's position?

Mr Vergeer, deputy rapporteur. — (NL) The rapporteur is opposed to Amendment No 4.

President. — I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraph 4 and 5 to the vote.

Paragraphs 4 and 5 are adopted.

I call Mr Glinne for an explanation of vote.

Mr Glinne. — (F) Mr President, our Amendment No 4 having been rejected, the Socialist Group will, regretfully, abstain during the vote on the motion for a resolution as a whole.

President. — I now put the motion for a resolution as a whole, as amended, to the vote.

The resolution is adopted.

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President. — I put to the vote the *Le Roux et al.* motion for a resolution (*Doc. 1-12/80*): *Emergency aid for Brittany*.

The motion is rejected.

I put to the vote the *Josselin et al.* motion for a resolution (*Doc. 1-19/80*): *Aid for regions afflicted by oilslicks*.

The resolution is adopted.

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President. — I put to the vote the *Weiss et al.* motion for a resolution (Doc. 1-18/80): *Situation of the hostages in Iran.*

The resolution is adopted.

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President. — I put to the vote the motion for a resolution contained in the *Seal report* (Doc. 1-733/79): *Trade with the Republic of Cyprus.*

The resolution is adopted.

We now come to the motion for a resolution contained in the *Seal report* (Doc. 1-822/79): *Transitional Protocol to the EEC-Cyprus Association Agreement.*

I call Mr O'Leary for an explanation of vote.

Mr O'Leary. — I am voting in favour, because I believe that a major objective of Community trade policy with Cyprus must be the stimulus it offers to bringing about meaningful negotiations between Turkish and Greek Cypriots; and also because to advance this objective, Community contacts in connection with this trade must be confined to the only sovereign and legitimate government on the island of Cyprus, which is that based in Nicosia.

Finally, if Community trade contacts are thus conducted they will prove a powerful incentive to bringing the Turkish-Cypriot representatives in the northern part of the island, and what is more important, the government in Ankara, which really controls northern Cyprus, to accept the need for meaningful negotiations to restore unity and freedom for all the inhabitants of Cyprus.

President. — I put the motion for a resolution to the vote.

The resolution is adopted.

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President. — I put to the vote the motion for a resolution contained in the *Helms report* (Doc. 1-624/79): *Fishery resources off the West Greenland coast.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Quin report* (Doc. 1-717/79): *Swedish fishing-zone.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Nielsen report* (Doc. 1-735/79): *Conservation of fishery resources.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Enright report* (Doc. 1-835/79): *Fishing off the coast of Guinea-Bissau.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Woltjer report* (Doc. 1-831/79): *Fishing off the coast of Guinea-Bissau.*

The resolution is adopted.

I now come to the *Provan report* (Doc. 1-829/79): *Fishery agreements between the EEC and Canada.*

I call Mr Moreland.

Mr Moreland. — Mr President, I wish to say that, in view of the fact that this has already been undertaken, despite the rather unsatisfactory response from the Commission — I do not wish to be divisive on this particular issue, although obviously I would like my points respected — and in view of the general agreement and the tone of the debate, I wish to withdraw both my amendments.

President. — I accordingly put the motion for a resolution to the vote.

The resolution is adopted.

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President. — I put to the vote the motion for a resolution contained in the *Kirk report* (Doc. 1-828/79): *Total allowable catches for certain fish-stocks.*

The resolution is adopted.

I call Mr Kirk on a point of order.

Mr Kirk. — (DK) Mr President, first I wish to thank you for the efficient way in which you have conducted the sitting; but I also wish to ask you to raise the following point in the Bureau: is it reasonable that we should always discuss matters like fishing for example, which for many of us is an important matter, on a Friday at the end of the part-session?

Kirk

I would also ask you to urge the Bureau to consider whether it is reasonable that the Commissioner who is responsible for the particular subject being discussed should not be here in the House when we are discussing it. I found the Commission's answer very unsatisfactory, and I do not think this is right.

President. — This point has been made before and we are very grateful to Mr Vredeling for coming here this morning to act as substitute. I am sure he will pass your comment on.

I call Mr Provan.

Mr Provan. — I shall merely say that it does not necessarily follow that it is the Commissioner who is to blame. Much depends on the timing of the debates, and if it is always agriculture and fisheries on a Thursday and Friday, great demands are put on the Commissioner.

President. — I can assure you that at meetings of the enlarged Bureau there are great difficulties involved in trying to fit debates in, and although Friday does not seem to be regarded as a working day for the Parliament by many people...

(Laughter)

...always excepting, of course, those who do stay, Friday is a full working day. The Commission is present and that is all.

20. *Time-limit for tabling amendments*

President. — With regard to the agricultural part-session to be held on 24-26 March 1980, I propose that the time-limit for tabling amendments to the reports by Mr Delatte and Mr Früh on behalf of the Committee on Agriculture be fixed at 7 p. m. on Monday, 24 March 1980.

Are there any objections?

That is agreed.

I call Mr Enright on a point of order.

Mr Enright. — Mr President, I am given to understand that the enlarged Bureau has taken decisions about our place of meeting for the rest of the year. I have had no official communication about this, and I cannot say that I am either for or against the rumoured decision taken by the enlarged Bureau, but it does seem to me elementary that this House should be

consulted as a whole on such decisions, because it is individual Members who have to put up with these working conditions: we should have our say and not have it handed down from on high!

(Applause)

President. — As you know, Mr Enright, I have firmly held this opinion myself and advocated it in the places 'on high', to use your expression. The matter will be brought before the House, and I am quite sure that when the President reports this decision to the House it can be debated on the floor of the House.

I call Mr Cottrell.

Mr Cottrell. — I think it would be helpful to the business of the House if the Bureau were to consult the House before taking this kind of decision. Otherwise we shall find ourselves in the peculiar position of having a parliament within a parliament.

21. *Dates of the next part-session*

President. — There are no other items on the agenda. I thank the representatives of the Council and the Commission for their contributions to our work.

The enlarged Bureau proposes that our next sittings be held from 24 to 26 March 1980 in Strasbourg.

Are there any objections?

That is agreed.

22. *Approval of the minutes*

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of the sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

23. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 1.40 p.m.)

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