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1980-1981 Session  
Report of Proceedings  
from 19 to 23 May 1980  
Europe House, Strasbourg

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## NOTE TO READER

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

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IN THE CHAIR: MR BRUNO FRIEDRICH

*Vice-President*

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

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

**President.** — I declare resumed the session of the European Parliament adjourned on 18 April 1980.

#### 2. *Thirtieth anniversary of the Schuman Declaration*

**President.** — On 9 May 1950 Robert Schuman made the declaration which initiated the process of European unification. In commemoration of that historic occasion I should like to express the hope which, I am sure, is shared by all Members of this Assembly, that our efforts will help to solve the present difficulties and promote European unification.

*(Applause)*

#### 3. *Membership of Parliament*

**President.** — By letter of 28 April 1980 Mr Jacques Chirac notified me of his resignation as a Member of the European Parliament. Pursuant to the second sub-paragraph of Article 12 (2) of the Act concerning the election of representatives of the Assembly by

direct universal suffrage, Parliament establishes that this seat is vacant and informs the Member State concerned.

#### 4. *Petitions*

**President.** — I have received nine petitions whose titles and authors are listed in the minutes of this sitting. These petitions have been entered under Nos 15/80 to 23/80 in the register provided for in Rule 48 of the Rules of Procedure and have been referred to the Committee on the Rules of Procedure and Petitions.

Furthermore a series of decisions concerning petitions are published in the minutes of this sitting.

#### 5. *Mandate of the Ad hoc Committee on Women's Rights*

**President.** — As recommended by the enlarged Bureau I propose that Parliament extend until the end of 1980 the mandate of the ad hoc Committee on Women's Rights which was due to expire at the end of June.

Are there any objections?

That is agreed.

#### 6. *Documents received*

**President.** — Since the adjournment of the session I have received from the Council, the Commission, the

**President**

Committees, the Court of Auditors and from Members various documents which are listed in the minutes of this sitting.

*7. Texts of treaties forwarded by the Council*

**President.** — I have received from the Council certified true copies of various treaties. These documents, which are listed in the minutes of this sitting, will be deposited in the archives of the European Parliament.

*8. Authorization of reports — Authorization to deliver opinions and referral to committees*

**President.** — Pursuant to Rule 38 of the Rules of Procedure, I have authorized several committees to draw up reports. In the minutes of this sitting you will find details of these authorizations, as well as a series of referrals to committees.

*9. Statement by the President on various motions for resolutions*

**President.** — Details of the various decisions communicated to me by the chairmen of the Political Affairs Committee and the Committee on Transport are set out in the minutes.

*10. Urgent procedure*

**President.** — I have received from Mr Provan and others a motion for a resolution (Doc. 1-155/80) with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure on the crisis in the fishing industry.

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

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

*11. Order of business*

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

At its meetings of 17 and 29 April 1980 the enlarged Bureau drew up the draft agenda (PE 63.895/rev.) which has been distributed.

The report by Mr Ryan on behalf of the Committee on Budgetary Control entered on Thursday's agenda was not adopted in committee and has therefore been withdrawn.

On behalf of the Committee on Agriculture, Sir Henry Plumb has asked that the two reports by Mr Battersby, on behalf of the Committee for Budgetary Control entered under item 88 and 90, should be the subject of a joint debate.

Are there any objections?

That is agreed.

I have received from Mr Ansart, on behalf of the 19 French members of the Communist and Allies Group a request, pursuant to Rule 12 of the Rules of Procedure, for the removal from today's agenda of the vote on the motion for a resolution by Mr d'Ormesson and others (Doc. 1-119/80) on the surveillance and protection of shipping routes for supplies of energy and strategic materials to the countries of the European Community.

I have received from Mrs Hammerich and three other Danish members a motion, pursuant to Rule 32 (1) (d) of the Rules of Procedure, to postpone until a subsequent part-session the adoption of any opinion on this motion for a resolution.

At a meeting held this morning with the political group chairmen, it was found that these two requests were not admissible since, pursuant to Rule 33 (3), Parliament must proceed with the vote today since it has been entered on the agenda following the absence of a quorum at the sitting of Friday, 18 April.

In this connection I wish to draw attention to the reasons behind the enlarged Bureau's decision. I feel it is important that Parliament should be fully informed concerning these reasons. The question arose whether an item on the agenda which had already been considered and on which the debates had been closed, could be separated from the vote and, under Rule 12, re-submitted to Parliament for consideration.

It was unanimously decided that, since Parliament had already voted to establish whether a quorum existed it had already begun the vote on the motion for the resolution and that, under Rule 33 (3) of the Rules of Procedure, Parliament is required to vote on it at the next sitting.

It is also important for Parliament to realize the implications of this article since, if a precedent were created, by separating the discussion from the vote, then at any time a majority could invoke the Rules of Procedure to prevent a vote by first voting — as often happens in the House — to establish whether a quorum exists, and then in the second vote, invoke

**President**

Rule 12 to remove the item from the agenda by a majority decision.

I believe that this procedure is important. The enlarged Bureau unanimously agreed that, under Rule 33 (3) Parliament was required to enter the vote on this item on today's agenda. I call Mr Denis.

**Mr Denis.** — (F) It is correct that we have moved an amendment to the agenda.

I would remind you that Rule 12 (2) of the Rules of Procedure entitles a minimum of ten Members to request at each part-session an amendment to the draft agenda without any distinction between the debate and the vote, i.e. even if the debate has already taken place, as you have pointed out, and even if the prior question moved by my friend, Mr Baillot, was not adopted.

Our view is that this proposal, which has a specifically military content, does not fall within the terms of reference of the Assembly and more generally within the provisions of the Rome Treaty. Over and above any procedural issues, this is a fundamental matter on which we feel bound to express our indignation. Mr President, you yourself indicated that a long and wide-ranging discussion took place this morning at the meeting of Chairmen. This in itself underlines the importance of the problem because we are far removed from the independence of France and Europe — of a Europe founded on peace of which so much was made last year to our electorate. The real issue is the reintegration of France into NATO from which De Gaulle had withdrawn it, and Mr d'Ormesson — if I may say so — is wallowing in servility to the Atlantic pact. He has even stolen a march on Mr Brown, the American Defence Secretary, who, in addressing NATO in Brussels last week, called for countries like France and Britain to make available units to reinforce the US fleet in the Persian Gulf. Proposals which no-one dares make to our national parliament in Paris are now being made in Strasbourg and the French Government remains silent while a number of its faithful UDF supporters figure among the leading signatories of the motion here.

We shall never agree to this Assembly serving as a test bench for your plans to revive the defunct European Defence Community and we shall not cease to warn our workers and other patriots of the efforts now being made. They will remember that Mr d'Ormesson and his friends in the European People's Party are the authors of this dishonourable proposal! On the very day when the French people who set great store by the cause of detente welcome the meeting between Mr Giscard d'Estaing and Mr Brezhnev and Mr Gierek, the anti-Soviet fervour of Mr d'Ormesson is growing stronger...

*(Applause from certain benches on the extreme left — protests from other quarters)*

**President.** — Mr Denis, I note that you have not spoken on a point of order, and that you therefore have no objections to raise against the interpretation by the President and the enlarged Bureau of the Rule of Procedure.

*(Applause from certain quarters)*

I call Mr Rogers.

**Mr Rogers.** — Mr President, on a point of order, could I ask you to clarify something for me. You mentioned on at least two occasions in your introduction to this matter that decisions had been taken this morning at a meeting of the enlarged Bureau. As a member of the enlarged Bureau I received a telephone message saying that a meeting was taking place this morning. I then had a telegram cancelling the meeting, so that I did not attend any enlarged Bureau meeting. If you were referring to some other meeting would you now correct the record. As I understand it, there was not meeting of the enlarged Bureau this morning. If there was a meeting then I am going to be very annoyed about it. Was there or was there not a meeting of the enlarged Bureau?

**President.** — Mr Rogers, I must indeed correct what I said. As is customary on Mondays, a meeting of the group chairmen and the President took place this morning. It was originally intended that this should be a meeting of the enlarged Bureau, but because of the Iran question the meeting was cancelled. I was invited to this meeting because the President asked me to deputize for her since she must be in Luxembourg today.

The matter was discussed at this meeting. However, I must make it quite clear that it is for the chair to interpret the Rules of Procedure, and as I already stated, pursuant to Rule 33 (3) the vote must be placed on today's agenda.

I call Mr Aigner.

**Mr Aigner, chairman of the Committee on Budgetary Control.** — Mr President, you indicated earlier that items 88 and 90 would be taken jointly on Thursday. You should then also include item 91 because it is not at all logical to deal with only one section of the Agricultural Fund together with item 88. Mr President, can you tell me why item 89 has been removed from the agenda without the committee chairman being informed of this decision?

**President.** — Mr Aigner, the report was taken off the agenda because it is not yet available. In any event that is how matters stood this morning.

**Mr Aigner.** — (D) Mr President, there can only be technical reasons for that. The text was adopted by us. Why was item 91 not also to be taken jointly with the others?

**President.** — Mr Aigner, the President does not check whether the reasons are technical or political. What counts is whether the report in item 89 can be taken. It cannot be taken. There are no objections to taking No 91. If you propose it, it will be taken.

**Mr Aigner.** — (D) Mr President, may I put a request to the Bureau? I think I am speaking on behalf of all the group chairmen in asking for the agenda to be discussed again with them if such far-reaching changes are made.

**President.** — I have noted your suggestion and will pass it on.

I call Mr Chambeiron.

**Mr Chambeiron.** — (F) Mr President, I had always thought since I became a member of this Assembly that there was a certain link between the preparation of the agenda and the Rules of Procedure. I note that in the proposal made to us for our work on Tuesday morning an item entitled 'Presentation of the Luster report' has been included; the report itself is due to be discussed at our next part-session.

The agenda seemed to me rather unusual on this point and I should like you to explain, Mr President, to make this clear to the entire House, what the exact nature of this procedure is, on which provisions of the Rules it is based and in particular how it differs from the procedure defined in Rules 26 and 42.

And then since you have called me to speak, may I say that I consider it unreasonable to fix such a short time limit for the tabling of amendments on so important a matter. Would it not be possible to hold over until June the final date for tabling amendments which is now set for Friday, 23 May at 1 pm?

**President.** — We shall come to the question of the Luster report in a moment. A motion has been tabled on it. However, I can give you the answer straight away. This question was discussed in the Bureau today. The agenda suggests that a misunderstanding arose during the discussion between the group chairmen and the President. It was agreed that the vote on the Luster report would not take place until the June part-session at the earliest, so there is ample time for tabling amendments. Mr Coppieters has also tabled a motion on this matter.

**Mr Chambeiron.** — (F) Mr President, I apologize for speaking again. You know that I am usually very discreet but I have not understood this properly.

I asked you to be so good as to explain to us — if only for the record and as a precedent for this Assembly — on which procedural provisions this concept — the presentation of a report — was based and in particular how this procedure differed from that stipulated in Rules 26 and 42. I felt my question to be perfectly clear. I hope you can give me an equally clear answer.

**President.** — The report was forwarded by the committee to the enlarged Bureau which, as it was entitled to do, placed it on the agenda. However at the same time agreement was reached this morning with the political group chairmen that, in view of the importance of the Rules of Procedure and the fact that the Rules of Procedure can only be amended by the vote of a majority of members of Parliament, it could not be put to the vote on Friday. In other words, the report is merely being introduced.

I must first conclude the matter of the d'Ormesson report. The vote entered on the agenda must be taken. I would ask members who wish to give explanations of vote, as provided for in Rule 47(5), to submit a request to that effect as soon as possible. I must however inform the House that I have received from Mr Glinne and 30 other Members a request seeking to establish whether a quorum exists for this vote.

I call Mr Bonde.

**Mr Bonde.** — (DK) Mr President, we see to our astonishment that the motion we tabled last week regarding the postponement of the vote on the d'Ormesson resolution has not been distributed. We asked if the next stage of Parliament's consideration of this text could be postponed pursuant to Rule 32 (1d) of the Rules of Procedure, until the Council had established whether Parliament's terms of reference permit it to deal with questions involving matters of defence and security. I now find that it was not possible for the meeting this morning to take note of our proposal and present it to the House today, but I should at least like to take this opportunity to appeal to Mr d'Ormesson and his fellow movers to use their obvious right to withdraw their motion from the agenda and I can justify this by saying that the Members who are supporting the d'Ormesson motion for a resolution are really expressing a lack of confidence in the President, Mrs Simone Veil.

Mrs Veil has, in fact, just been on an official visit to Copenhagen and she told a press conference there that, if she had seen the actual text of the d'Ormesson resolution when it was tabled, she would not have accepted it as falling within Parliament's terms of reference. In other words, she would not have agreed

**Bonde**

to the debate which we had during the April part-session taking place at all. According to a report in the newspaper *'Land og Folk'* she said, and I quote: 'But in my own view the vote is different from the debate in September. When the Bureau decided to put the question of a Community fleet on the agenda, none of its members had realized that it touched on military and strategic questions which I do not think we are empowered to deal with; but the Bureau decided to place it on Parliament's agenda, so I cannot withdraw it.'

Many of us protested in the enlarged Bureau when we got to see the text of the motion for a resolution instead of just the heading and we now understand that Mrs Veil would also have protested if she had had someone to draw her attention to the contents before the agenda was adopted.

In view of this, I should like to suggest that we now show some confidence in the occupant of the Chair this evening and in his capacity to get the d'Ormesson resolution removed from the agenda. And, if it cannot be done in any other way, I invite Mr d'Ormesson and his colleagues to withdraw it themselves, so that we can avoid having the vote here this evening and all the explanations of vote that will inevitably follow.

**President.** — Mr Bonde, I regret that, for the second time, the discussion on an item on which Parliament has already reached a decision has been reopened. I shall not permit any further questions on this matter. This item is on the agenda and will be voted on at the appropriate time. The vote began when Parliament decided that a quorum did not exist. As President, this is a matter which I take very seriously. I regard the Rules of Procedure as Parliament's constitution.

*(Applause)*

... As President I shall vigorously uphold the constitution, irrespective of political opinions. Under Rule 33(3) of the Rules of Procedure, this item has been placed on the agenda. I shall not permit any further questions on this matter. We are now discussing the motion by Mr Coppieters who has asked to speak. I must therefore explain it to the House.

I have received from Mr Coppieters, on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members, a request, pursuant to Rule 12 of the Rules of Procedure, to delete from the agenda the report by Mr Luster on the Rules of Procedure and the reference to the deadline for tabling amendments to that report.

I call Mr Coppieters.

**Mr Coppieters.** — *(NL)* Mr President, I simply wanted to point out that you wrongly described this

morning's meeting as a meeting of the Bureau. It was in fact a meeting of the group chairmen. In addition you stated incorrectly that we all reached agreement. I was not at all in agreement with the unusual procedure of placing the Luster report on the agenda of this part-session — a point to which my colleague has already drawn attention.

Mr President, I would ask you to allow Mrs Bonino herself to explain the content of the proposal.

**President.** — Mr Coppieters, I have already stated that the meeting in question was between the group chairmen and the President. I have made the matter clear, and I wish to stress once again that it was an informal meeting. During the plenary sitting the President alone is responsible. It is however important for the President to ascertain the views of the political groups in the morning preceeding the sitting.

I call Mrs Bonino.

**Mrs Bonino.** — *(I)* Mr President, ladies and gentlemen, the purpose of our proposal is to request you to delete from the agenda an item which has been entered for Tuesday morning, namely the presentation of the Luster report containing proposals for amendments to the Rules of Procedure. We should like this report to be removed from the agenda for two reasons: firstly because I believe that a serious approach to this problem would inevitably have involved an overall reform of the Rules and not these partial changes. In case you do not realize it, we now have, for the second time in six months, a request for Rule 14 to be amended and I do not think it is serious for a Parliament to change its own rules every six months.

This report proposes to deprive individual Members of the right to give explanations of vote, leaving only the group chairmen the right to speak. If individuals wish to speak they would be allowed one minute after the vote or would have to submit a written explanation of not more than 150 words.

There is another reason for which we should like this item to be deleted from the agenda — we consider it contrary to the Rules to enter today a report which will not be debated until June.

Mr President, I endorse Mr Chambeiron's request. Would you be so kind as to tell me on which Rule the Bureau's decision was based to enter on the agenda of this part-session a report which is not to be debated until June?

Our amendment is in two parts. In the second part we ask that the final date for tabling amendments should not be set for this Friday, i.e. one month short of the debate. I am not opposed to a time-limit but I should

**Bonino**

like it to be fixed in the normal way on the Monday of the week prior to the debate.

The Luster report is available from today for everyone to consider. But I seriously doubt whether you will have time to read it and table amendments by Friday. I think this procedure is illogical and unfair to all the Members of this House. I am not speaking on my own behalf as I have been able to follow the proceedings of the committee and my amendments are already prepared. The real issue is the right of Members to decide on the conduct of their own activities. Unless you table amendments by Friday you will be denied the right to do so and that is an obstacle to your right to take informed decisions. Mr President, I ask for the vote on this amendment to be taken separately on the two parts.

**President.** — I put Mr Coppieters' first request to the vote.

The request is rejected. The item shall remain on the agenda.

I put Mr Coppieters' second request to the vote.

The request is rejected.

The Council of the European Communities has requested that consideration of the agreement between the EEC and Sweden on certain measures for the reproduction of salmon in the Baltic Sea (Doc. 1-135/80) be entered on the agenda under urgent procedure. I have been informed that the Committee on Agriculture intends to adopt a report on the matter at its meeting today.

I therefore propose to place this item on Friday's agenda.

Are there any objections?

That is agreed.

The Committee on Budgets has informed me that it intends to adopt the following reports at its meeting today:

- a report on the non-automatic carry-overs of appropriation from 1979-1980;
- a report on a transfer of appropriations.

I propose that, if adopted, these reports should be placed on the agenda for Thursday, 22 May, immediately after the debate on the report by the Committee on Budgetary Control.

Are there any objections?

That is agreed.

I call Mr Lange.

**Mr Lange.** — (D) Mr President, I want to put a supplementary question. If you are already referring to items which the Committee on Budgets would like to be placed on the agenda, you should not pass over in silence the motion which the Committee on Budgets is to adopt today on the 'Presentation of the budget'. This should be linked with the report from the Council and the oral question by the Communist Group on Wednesday morning. The Bureau or the President has been informed of this proposal and it should now be verified here.

**President.** — Mr Lange, I was just coming to the matter you raised. As it was anticipated that motions for resolutions would be submitted in connection with Wednesday's debate on the European Council and the Community budget, at this morning's meeting, the political group chairmen agreed that all such motions for resolutions should be tabled not later than 7 pm on Tuesday; that the vote on their consideration should be taken at the beginning of Wednesday morning's sitting; that the text should be debated on Wednesday; that the vote take place at voting time on Thursday; that the deadline for tabling amendments to these texts would be fixed at 8 pm on Wednesday, and that speaking time for Wednesday would be rearranged to take account of the inclusion of these new items. In other words, Mr Lange, your proposal is covered in detail in this agreement.

Are there any objections?

That is agreed.

I call Mr Panella on a point of order.

**Mr Pannella.** — (F) Mr President, I should just like to point out that when you ask whether there are no objections you should look round the Chamber to ascertain that no-one wishes to speak. I had objections but you did not allow me to express them. I hope that in future the proceedings will be conducted with a little more attention!

**President.** — I take your point. I call Mr Albers.

**Mr Albers.** — (NL) Mr President, on the basis of Rule 12 (2) my group has tabled a further request for a change in the agenda.

**President.** — Mr Albers, your request was handed in to the President's office at 4.45 pm and received by the President's office at 4.55 pm. The deadline for such requests is one hour before the beginning of the sitting. I therefore regret that your request cannot be put to the House.

I call Mr Boyes.

**Mr Boyes.** — I want to make two quick points, Mr President. First, in my personal capacity and as rapporteur, I would have liked Item No 82, the interim programme to combat poverty, to have been higher on the agenda; I think the Community has to face up to problems *within* the Community. I have said a number of times that we spend a lot of time debating things outside the Community, without trying to face up to our own real problems. I am not going to request on this occasion a change of agenda, because I am aware that the Socialist Group has agreed with the rest of the group leaders that this item should stay in its present position. But I would hope that at some time in the future this Parliament will have a full-scale debate on poverty in this particular Community, as it did on world poverty and world hunger.

Secondly, I want to protest at the late delivery of many of the reports for this Parliament. Many of us have had to wait until today before seeing the vast majority of the major reports to be discussed this week. I find it very difficult being faced with a massive pile of papers, some of them very complex, some of them absolutely essential documents for Parliament to consider, and not having adequate time to study them and prepare contributions at this session. I hope that Parliament will look at its procedures and ensure that documents on major reports to be discussed are circulated in time for members to be able to give them the attention they deserve, when the committee and the rapporteur have put so much effort into their preparation.

**President.** — With regard to your first point which is political, I assume that it has been noted by your group and all the political groups. With regard to the delivery of the report, I admit that we frequently encounter technical difficulties. The number of translations is stretching the resources of staff to the limit, and the Bureau has frequently come under criticism from the Staff Committee. We must strike a balance and we must make every effort to ensure that Parliament can carry out its work; that is of course the primary consideration. At the same time we realize that the current budgetary situation prevents us from providing the extra posts required. This is something which we must bear in mind at the moment.

I call Mrs Dienesch.

**Mrs Dienesch.** — (F) Mr President, I find it difficult to understand this request for the withdrawal from the agenda of a report which has already been entered on it. There are some areas in which we may reasonably doubt the competence of the Assembly to deliberate, but in the case of the fight against poverty in all the countries of Europe I think on the contrary that there should be unanimity on the need for the very slight effort which we are already making to remain one of our central concerns.

**President.** — Mrs Dienesch, no motion has been tabled. A request has been made and Parliament has noted it.

The order of business is adopted.<sup>1</sup>

## 12. Speaking time

**President.** — As agreed by the enlarged Bureau, I propose to allocate speaking time as set out in the draft agenda.

As regards the items added to the agenda, I propose to limit speaking time for each speaker to 3 minutes as the week's agenda is very heavy.

Are there any objections?

I call Mr Pannella.

**Mr Pannella.** — (F) Mr President, for one last time I want to remind you of Rule 28 which is our fundamental law. I was greatly struck by something that you said a moment ago. It has been unusual for some time now for reference to be made to the fact that the Rules of Procedure are the fundamental law of Parliament. Mr President, Rule 28 indicates unambiguously that the Presidency may put forward such a proposal for a particular debate; in other words this is an extraordinary procedure which the Rules allow the President to adopt for a specific debate on a particular topic. However, just as we feared in September and October last year, there is a tendency to apply this procedure not just to one debate but to a whole day. Now, Mr President, you are even proposing to apply it to the whole part-session. We have made our own calculations, but I think that any other Member could do so too and be equally shocked. Mr President, for forty points on the agenda, for forty debates, we as a group are entitled to one minute and twenty seconds or, as individual Members, to four seconds for each debate. Mr President, if this procedure is to be applied for Tuesday, Wednesday, Thursday and Friday, it means that all the Members and not just Members of the minority groups but all Members beginning with those of the majority, will be deprived of their rights.

This is not the Parliament to which they wished to be elected; you are infringing the Rules of Procedure without a formal amendment to them. This means that Members — even those who are laughing with a kind of black humour directed against themselves — no longer have to ask you, the President, for leave to speak but must address themselves to the leader of their party or group to obtain a part of the speaking time allocated to their group. This is no longer a

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



**Pannella**

Parliament and it is certainly not the Parliament provided for in our Rules of Procedure even if you are constantly changing them. You are sinking deeper and deeper into the mire. We have received a notice, Mr President, which we find irritating and impossible to credit: we are now being asked to provide at the beginning of the sitting a full list of speakers with the number of seconds accorded to each of them. As though a parliamentary debate did not imply listening to other speakers before replying. What kind of a liturgy is this? Mr President, it is perfectly grotesque. You want to bring the Parliament to heel. You have brought it into the step — and it is a goose-step. But, Mr President, goose-stepping on shifting sands is unworthy of us and grotesque. This is the last time I shall remind you of this fact. Many of my colleagues are laughing — they think we are defending our right to speak. But it is in our nature to speak whenever we like and as much as we like, as we have proved to you. No, it is you the members of the majority who no longer belong to the Parliament to which you stood as candidates because it has ceased to be a Parliament. Mr President, if we were in a private assembly I would say that this is an imposture — by acting as you are doing you have forfeited your rights. As a citizen of Europe I shall go to the Court of Justice and to The Hague, Mr President, to defend our rights which are being flouted. This is a mere caricature of a Parliament. We are opposed once and for all to this situation: we cannot have democratic debates — on the contrary a deaf majority of bureaucrats is doing violence to itself.

*(Protests from certain quarters)*

**President.** — Mr Pannella, I would ask you not to exceed the speaking time allotted to you, as it does violence to the House when the President allows speakers to exceed their speaking time and when you speak for twice the time allotted to you.

*(Applause)*

With regard to the points you make, I freely admit — insofar as the President is allowed to comment — that dialogue is the substance of parliamentary practice, and that the conditions in which we find ourselves hinder such dialogue. We must either extend the part-session week or develop a different system. For the moment the President can only note that the situation is unsatisfactory and that Parliament must look for ways of enabling dialogue to take place.

The proposed allocation of speaking time is adopted.

I call Mrs Ewing.

**Mrs Ewing.** — Mr President, I would like to raise a very general point of principle which I think will be of interest to everyone. I think this Parliament is trying to be very fair in its allotment of time to the large and

small groups. I consider myself something of an expert, as I was once a member in the House of Commons of a party of one, out of 635 members. I was also an Independent in this House, as I think you know, for four years.

No Parliament can be fair if it allots a speaker a ridiculously small amount of time, so small that nothing can be said, no points made, no arguments developed. I speak — and those of you who were with me in the old Parliament will remember — as an active participant. It is ludicrous to think you can reduce a person's speaking time — a person speaking for half a million people — to minutes or even seconds, and claim to be fair. This Parliament is making a very grave mistake here.

I would just mention that in the House of Commons there is a very different rule, i. e. the filibuster system, which I have no intention of defending. I would only say that, if you want to be a fair Parliament, think how undignified it is for Europe to give someone a ration of a minute or even half a minute, I think it is unworthy of Europe, I would like to see it stopped.

**President.** — It is no pleasure for the President to act as a time-keeper. It is not even right for the Bureau to do so. The political groups and the Bureau will have to discuss the matter. However, a vote has already been taken.

### 13. *Deadline for tabling amendments*

**President.** — I propose that, with the exception of Mr Radoux's report on Yugoslavia (No 86) for which the deadline has been fixed at 10 a.m. on Tuesday, the deadline for tabling amendments for the rest of this part-session should be fixed as set out in the Bulletin. I would again point out that the vote on the Luster report cannot take place until June.

Are there any objections?

I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, if a vote can be taken only this evening in the Committee on Budgets on the resolution which is to be debated on Wednesday it is not possible to fix 6 p.m. as the deadline for tabling amendments. I therefore, ask for a different time limit to be set for this resolution at least.

**President.** — I therefore propose that we fix the deadline at 10 a.m. tomorrow.

I call Mr De Goede.

**Mr de Goede.** — You have only partly met my objection. In a different context, Mrs Ewing has already said that it is ridiculous for a deadline for the tabling of amendments to be set at 6 p.m. for reports which we have only received at 4 p.m. It is ridiculous for the activities of Parliament that we should only be allowed two hours to read through stacks of reports and prepare amendments. This is perfectly impossible. You must allow a longer time for amendments; the deadline must not be too short to prevent reasonable decision-forming.

**President.** — Mr de Goede, I have already taken account of what Mr Aigner said. I must however point out that, at the moment, the deadlines for the translation and technical services are very short. I also feel that many invitations reach Members too late. This not only happens during the Strasbourg part-session and it is a serious problem for Parliament.

Are there any further objections?

The deadline is agreed.

#### 14. *Action taken by the Commission on the opinions and proposals of Parliament*

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

I call Mr Hord.

**Mr Hord.** — Mr President, on 29 April the Commission was reported to have agreed to sell some 20 900 tonnes of subsidized surplus Community agricultural produce to Russia. Would the Commissioner concerned agree that such action was wholly contrary to Parliament's resolution of 15 February of this year, and that so contemptuous a decision not only augurs badly for relations between the two institutions but also flouts the strong public opinion existing on this subject?

*(Applause)*

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr Chairman, as the House will no doubt remember, I replied to the 15 February resolution during the following part-session under the same item that we are dealing with now. I pointed out that the

Commission was under an obligation to implement the decisions that had been taken and of which Parliament had been informed in January and February concerning trade with the Soviet Union in agricultural products, including such products as butter, of which we have traditionally exported a certain amount to the Soviet Union. I pointed out to the House that the Commission was obliged to do what was required to carry out these decisions, neither more nor less. We have interpreted these decisions in the most conservative and constructive way. The 20 900 tonnes of butter referred to by the honorable Member is old butter sold at lower prices but without export refunds. Obviously there is some misunderstanding here.

It was made clear in my report and statement to Parliament in March that this old butter would be sold on the same terms as before, i.e. on terms which were extremely favourable to the Community, economically and financially.

Finally, let me draw the honorable Members' attention to the fact that, in adopting its resolution on prices and related matters, Parliament has in fact against my advice delivered an opinion on the export of dairy products which to some extent conflicts with its resolution of 15 February. However, the Commission will continue to exercise the greatest care and restraint in this matter, partly for political and partly for budgetary reasons.

**President.** — I call Mr Harris.

**Mr Harris.** — I join my friend in condemning the Commission both for selling this butter and for not volunteering to this House a full statement on this controversial sale. Now that we have got the Commissioner to rise to his feet on this point, can he confirm some of the details of this sale? He says there is no export restitution, but can he confirm that there was in fact a subsidy of some 22 million pounds sterling to assist the sale? Was the accepted price below the tender price? I wish to serve notice that some of us at least are unhappy about this, indeed we feel strongly about it and intend to pursue the matter because we believe that this sale has again done considerable harm to the standing of the Community among the public.

*(Applause from certain quarters of the European Democratic Group)*

**President.** — I call Mr Paisley.

**Mr Paisley.** — The Commissioner says that as they had already entered into an arrangement to sell this butter, they had to go ahead with that arrangement. Does that mean that if Russia continues her aggressive activity all the contracts the Commission has in mind

<sup>1</sup> See Annex.

**Paisley**

to help the Soviet Union with cheap butter will continue? Will there never come a day when a stop will be put to this attitude?

*(Applause from certain quarters on the centre and on the right)*

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) May I ask Mr Gundelach for a detailed list of export transactions with the Soviet Union in the dairy sector this year, with a breakdown by individual refunds, prices etc. Will he provide that list to the next meeting of the Committee on Budgetary Control?

**President.** — I call Mr Delatte.

**Mr Delatte.** — (F) Mr President, can the Commissioner confirm the figures which I have been given by the Commission to the effect that the subsidy for butter deliveries to the United Kingdom amounts to 170 EUA per 100 kg, while the subsidy on exports to the USSR is 110 EUA per 100 kg?

**President.** — I call Mr Curry.

**Mr Curry.** — Perhaps the Commissioner would confirm that the problem we are talking about is essentially the chronic surplus of dairy produce in the Community. We should all be very grateful for his reassurance that the Commission is not planning to sound the retreat on its courageous proposals in the farm-price package in such a way as to permit the continued accumulation of such surpluses, but intends to stick by its pledge to try and limit these surpluses, if necessary by such radical measures as a super-levy.

*(Applause from the European Democratic Group)*

**President.** — I call Mr Gundelach.

**Mr Gundelach.** — (DK) First I will gladly confirm — as I have done countless times in this Parliament, in the Council and in public — that this problem is obviously bound up with the fact that we produce more milk and butter in the Community than there is normally a demand for. As long as this continues to be the case, we shall continue to get problems like the one we are discussing. The Commission does not intend to sound a retreat on its endeavours to slow the growth rate of milk production, to arrest it and to make sure that there is a decrease over the years in the quantity of milk produced in the Community. Nor do we intend of course to give up our fight to introduce

— in addition to an ordinary co-responsibility levy — a super levy, that is to say a levy on the increased production. This is indeed the central issue.

Furthermore, there are no contracts between the Commission and the Soviet Union, nor, for that matter, any other third country, to be fulfilled now or in the future. The Commission's hands are not tied in any way in this matter. But regulations were adopted by the Council and endorsed by the previous Parliament, decisions have been taken by the Council of which this Parliament was duly notified, and these impose on the Commission an obligation to maintain what are called normal exports of butter to the Soviet Union. So, it is not out of contempt either for Parliament or for the Council that the Commission is carrying out the task which it has been given. I should like to remind the House that when it adopted a decision on agricultural prices it also made a recommendation to the Commission to try to sell dairy products to other countries. And to sell as much as it could. This was a resolution which I personally could not agree with, for reasons with which the House is familiar, but it is what this Parliament decided last time.

As far as the Commission is concerned, we intend to keep these sales within the limited amounts which the Council decided on in January and February, given the present political situation. With a different policy on milk for which I have sought this Parliament's support again and again — not always successfully — we would be able in future to avoid awkward political problems of this kind. I absolutely agree with the honorable Members that this is what we need, but so long as there is over-production, one need only recall other debates about exports to other parts of the world to appreciate the size of the problems which exist in various Member States — and they are not always the same.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (D) I have not had an answer to my question as to whether the Commission is ready to submit a document containing details of exports to the Soviet Union to the next meeting of the Committee on Budgetary Control.

*(Applause from the right)*

**President.** — I call Mr Gundelach.

**Mr Gundelach.** — (DK) I shall be glad to comply with Mr Aigner's request and let the committee have a new copy of the rules governing the export of butter and other agricultural products to the Soviet Union, together with details of the terms on which this transaction has taken place. The figures quoted by another honourable Member, 110 u.a., 95 u.a., compared with

**Gundelach**

115 u.a., for fresh butter are quite correct and show, as I also want to make clear to the Committee on Budgetary Control, that this butter was sold on extraordinarily favourable economic terms.

**President.** — I call Mr Delatte.

**Mr Delatte.** — (*F*) Mr President, allow me to repeat my question. The Commissioner said that the cost of refunds on butter sold to the USSR was 110 EUA per 100 kg; can he confirm that the subsidies for butter consumption in the United Kingdom amount to 170 EUA per 100 kg?

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — I confirm the figures the honourable Member has put forward.

### 15. *Membership of Parliament*

**President.** — The French authorities have notified me that Mr Gérard Israel has been nominated Member of the European Parliament to replace Mr Chirac. I welcome the new Member and remind the House that, pursuant to Rule 3 (3) of the Rules of Procedure a Member whose credentials have not yet been verified may provisionally take his seat in Parliament or on its committees with the same rights as other Members of Parliament.

### 16. *Question time*

**President.** — The next item is the first part of Question time (Doc. 1-173/80).

We begin with questions to the Commission.

I call Mr Fergusson on a point of order.

**Mr Fergusson.** — Mr President, on 20 April a question for oral reply was tabled in my name dealing with the reaction of the Commission to a resolution adopted by the Parliament in June 1978. I should now like to know from you, why it is not incorporated in the list of oral questions before us at this moment and, therefore, cannot be taken today.

**President.** — Unfortunately, it was not clear from your statement to which question you are referring. I would ask you to make this known to the Bureau and

I shall endeavour to discover the reasons and shall communicate them to you. That is the only way of settling the matter. The President does not have information on the situation regarding oral questions.

I call Mr Fergusson.

**Mr Fergusson.** — Mr President, I think the Bureau is well aware of the question I put down and I hope I shall get a full explanation of why it is not in, either today or within the next twenty-four hours.

**President.** — Your statement has been noted.

Question No 1 by Mrs Van den Heuvel (H-32/80):

How can the Commission reconcile its position that age limits do not conflict with the principle of equal treatment for both sexes (see Answer to Written Question No 742/79)<sup>1</sup> with the fact that women often embark on a career at a much later age?

**Mr Tugendhat, Member of the Commission.** — The Commission has no evidence that women generally begin careers much later in life than men. Of course, I recognize that women's careers are frequently subject to certain interruptions and difficulties that do not apply to men.

(*Laughter*)

In the Commission's view, the present age-limits provide a reasonable balance between the needs of our services, the interests of our employees generally and the special career needs of our female employees.

**Mrs Van den Heuvel.** — (*NL*) I should like to hear from the Commissioner whether he has studied the research on the position of women on the labour market? I would recommend him in particular to read the document produced by the Group of Directors-General of Employment entitled 'Women's Unemployment in the Community' which makes it abundantly clear that women generally begin to build a career much later than men. I cannot therefore understand why the Commissioner should fail to recognize this simple fact which emerges from all the relevant research.

**Mr Tugendhat.** — The point I wish to make in answer to that question is that of course I recognize that women's careers are subject to interruptions and difficulties that do not, as rule, apply to men. But we, of course, have to take into account both the difficulties of running a public service on very limited resources — very limited resources indeed — and the

<sup>1</sup> OJ C 316 of 17. 12. 1979, p. 48.

**Tugendhat**

particular problems of employees of both sexes and of different nationalities. Where one is dealing with temporary posts, it is of course sometimes possible to make special arrangements; but in a service of our sort, to have different qualifications across the board does sometimes raise very considerable difficulties. I assure the honourable Member that I certainly don't have a closed mind on this; I am well aware of the fact that we have an insufficient number of women in high positions in our organization, but I think that so far as age-limits are concerned it would in the present circumstances be difficult to do anything about it.

**Lady Elles.** — Would the Commissioner undertake to look at the question of positive discrimination in favour of women over the age of 35, in view precisely of the special position, which he himself has recognized, of women raising families earlier in their life rather than later, and to take into account the contribution that married woman who have raised families can give to an organization like the Commission, particularly if one takes into account Sir Roy Denman's recent letter?

**Mr Tugendhat.** — We would certainly be prepared to look into the question. Of course, the point when women begin their careers is not always easy to determine, as sometimes it is true that women actually begin a career for the first time after having had a family. Very often, of course, women begin a career after leaving school or university and then break off to have a family. And the problems which we face include, of course, not only the matter of equality between the sexes but also equality between women who have had children and those who have not had children, between those who have begun a career and those who have not begun a career, and so forth. I really don't think that it is a simple or straightforward matter, though I do assure both Lady Elles and Mrs Van den Heuvel that we are conscious of the difficulties and certainly approach them with an open mind.

**Mrs Krouwel-Vlam.** — (NL) Will the Commissioner also refute the rumours that the age limit for female applicants is to be further reduced, thus further limiting the opportunities open to them? And this at a time when the Community should set the example in the matter of equal treatment of men and women.

**Mr Tugendhat.** — As the House knows, we are examining a whole range of problems relating to our staff, including recruitment, ability, promotion and a great many other things, and we are, within that context, certainly considering the age at which people should enter. I can only say, once again, that I am conscious of the particular difficulties of women, though I do think that the problem of non-discrimination, not only as between one sex and the other, but also as between women who have had families and

those who have not had families, women who have begun a career and those who are beginning a career or are interrupting a career, does make the solution to this problem extremely difficult, particularly when one has to take into account the difficulties of running a public service on necessarily limited resources.

**Mrs Dekker.** — (NL) There is one point to which the Commission has not yet referred, and that is the extent to which a woman above what is now the normal age limit would be less suitable for the work involved and secondly the extent to which women are more expensive, since I have heard the Commissioner say repeatedly that it is also a matter of funds. I do not see why these women should necessarily be more expensive. If the Commission cannot give an affirmative answer to either of these two questions will it then promise to change its attitude in the near future, because I cannot see any reasons of substance for the disadvantaged position of women in the Commission?

**Mr Tugendhat.** — I think there must have been a misunderstanding at some point in interpretation or in some other way, because my essential point — and indeed I thought it was also Mrs van den Heuvel's essential point — was, that the age limits are the same for both sexes. So there is no question of saying that an older woman is less qualified than an older man, far from it. The second point I would make is we are not saying that older women, or indeed older men, are necessarily less well qualified. Our position, of course, is that we recruit service people in order that they should not only render service to the organization but also that they should engage on a career, and that if you recruit people at different ages, clearly you do not have a sort of *cursus honorum* in a career. It is not a question of whether an older man or an older woman is more or less expensive than a younger man, it is that, like any national civil service, we are appointing people with a view to them pursuing a long-term career in which they move up the scale.

**President.** — Question No 2 by Sir John Stewart-Clark (H-34/80):

Will the Commission inform the European Parliament of the state of negotiations regarding fishing between the Community and Canada, bearing in mind that it is a matter of public knowledge that the existing agreement has not been satisfactory to either party?

**Mr Gundelach, Vice-President of the Commission** — (DK) The existing framework agreement on fishing between Canada and the Community dates from 1979 and will be extended to 1980 to allow time for a more comprehensive and long-term agreement to be concluded.

It is a fact, as the honorable Member states in his question, that this provisional agreement is not as compre-

**Gundelach**

hensive as the Community would like as regards the facilities for its fleet to fish in Canadian waters and, on the Canadian side, they are pressing for an agreement that would allow for more exports of fishery products from Canada, which has a considerably larger area of water to fish in with the introduction of the 200-mile limit.

Negotiations on this more comprehensive agreement are underway, two rounds of talks have already taken place and a third will take place at the end of this month. Obviously, we consider it very important that these negotiations should have a positive outcome, because, as the situation in the North Atlantic and the North Sea becomes increasingly critical, we are very concerned to maintain or negotiate for fishing rights in the Community's traditional fishing grounds.

In return for that, as I say, we must allow greater access to the Community market for fishery products from Canada. We are running into difficulties at present because the situation on the Community fish market is very bad just now — we shall be discussing this in connection with another question later on. Prices are falling and imports from third countries are well up. So these are difficult waters to manoeuvre in. We have submitted the proposal for certain limited but quite substantial trade concessions for Canada and the way is now open for the resumption of the negotiations later this month as I have already said, and I hope that will lead to a worthwhile agreement for both partners.

**Sir John Stewart-Clark.** — I would like to thank the Commissioner for his reply. I am certainly glad to learn that there is hope of increased access. I am sure the Commissioner knows that this Parliament has established close and constructive relations with our friends in the Canadian Parliament. I find it rather regrettable that the Council should have signed a fishing agreement with Canada without any prior consultation of this Parliament during the negotiations so far. I would ask the Commission whether it is true that the agreement in fact permits the imports into the Community for 1980 of up to 10 000 tonnes of processed fish, which is equivalent to over 20 000 tonnes of live catch, and that this greatly outweighs in size the allowable catch of approximately 4 000 tonnes to Community fishermen in Canadian waters. Further will the Commissioner confirm that this applies particularly to imports into the United Kingdom of nearly 7 000 tonnes of processed fish or some 14 000 tonnes live catch equivalent against a catch entitlement in Canadian waters for British fishermen of only 570 tonnes?

*(Applause from certain benches of the European Democratic Group)*

**Mr Gundelach.** — (DK) There must be some misunderstanding here on a number of points. First of all,

the agreement with Canada was concluded in 1979 and debated in the European Parliament at that time. What has happened since is simply a prolongation of the existing agreement to allow time for a more lasting and radical solution to the problem and naturally the Commission will also be discussing this with Parliament. I told Parliament earlier that this was the general situation. And I cannot agree that the Parliament has in any way been excluded from the discussions taking place on this important matter.

Secondly, as regards fish imports from Canada, these have nothing to do with the provisional agreements concluded earlier with Canada. These agreements, like all conventional framework agreements, only deal with the question of reciprocal fishing rights — there is not much fishing by Canada in European waters but there is the question of the water around Greenland and certain French possessions — they do not cover matters of trade. They do not deal with imports. Canada has now raised this matter with us and asked if it could be dealt with and clarified in connection with a new agreement. We have agreed in principle to discuss this question in connection with increased fishing rights for the Community in Canadian waters.

The other provisions included in the provisional agreements apart from those concerning Community fishing in Canadian waters were about certain obligations in regard to the landing of fish in Canada. Fish imports have up to now been dealt with in connection with the general trade policy, i.e. customs tariff rules and reference prices applicable to imports of fish into the Community from third countries and here there has been a whole series of provisional exemptions from customs duties on a yearly basis. There will be discussions about this, too, this year but no decision has been taken on such exemptions. This will not happen until later this year when the position with regard to negotiations with Canada is clearer and when we have found ways and means of correcting the present depressed situation on the European fish market which will mainly involve sharply increasing the reference prices applicable to imports of all species of fish from third countries into the Community. This is something that takes us beyond the question of relations with Canada, but since the honourable Member referred to the situation on our fish market, I wanted to give this additional information.

**President.** — I must ask all the Members to keep their questions brief in accordance with Rule 47. We must not turn this into a debate.

**Mr Kirk.** — (DK) First I should like to thank the Commission for the very full answer to the questions concerning the agreement with Canada. My own brief question to Mr Gundelach is whether the Commission is aware of the difficulties that will arise for the Community's fishing fleet from the point of view of

**Kirk**

competition if Canada is granted substantial exemptions from customs duties on its exports to the common market. It is a fact that the fishing potential for Canada, particularly off Newfoundland, is enormous and it is very keen to export this fish to the European market. But it is also a fact that the Community's fishing fleet will not be able to compete with the Canadian fleet if Canada is allowed to take advantage of the European market and export its products here. I understand, as Mr Gundelach said, that Canada has raised this matter in its negotiations on fishing rights for the European fleet. But is the Commission aware of the risk entailed in allowing Canada to export to the European market, on a large scale?

**Mr Gundelach.** — (DK) It is true, as I said in my introductory reply that, with the extension to the 200-mile limit, Canada will be able to catch far more fish than it can itself consume. So it is keen to be allowed to export it, and Europe is a big market.

On the other hand, the potential for our own fishing fleet has been restricted in the waters around Iceland, in the North Atlantic and off North America. We are keen to use our fleet, for a large amount of money has been invested in it. So these are the two negotiating positions of the two sides. We must try to find how to balance one against the other.

Mr Kirk, we are fully aware that if we opened our doors too wide we would find Canada exporting more fish to our market than it could withstand, for we must also allow access for other third countries. We cannot adopt discriminatory measures. So we must proceed in the way that we are doing, that is, selecting species of fish and kinds of tinned fish that Canada is interested in producing and which our market can absorb and, in all other negotiations, find a reasonable balance between Canada's interests, our interests and our relations with other third countries. We are fully aware of the difficulties facing us both as regards our fish market and also the need to employ our fleet, in which enormous sums have been invested.

**Mrs Ewing.** — Is the Commissioner aware of the meeting held in the Western Isles on behalf of lobster fishermen: 150 gentlemen who were very angry and who asked a number of reasonable questions? Would the Commissioner think it reasonable to say to the Canadians that the imports must be held at the level of last year, if not of the year before, and secondly, could he not distinguish between Hebridean and Canadian species of crustacean fish? If the Commission is going to wear a human face, he really cannot sit and watch my towns and villages and islands become extinct.

**Mr Gundelach.** — (DK) In my earlier answer I indicated that the Community had made a selective offer to Canada for certain fish products. This did not

include the species of fish that Mrs Ewing has referred to.

**Mr Provan.** — I will try to be brief, but we are talking about the future survival of the Community fishing industry. The Commissioner must, I think, agree that, with the 200-mile limit, there is going to be a massive expansion of Canadian production. Will he give us a categorical assurance that he will maintain the European Community fishing industry, and will he explain to me the inequitable allocation of allowable catches that appears to have been made in this agreement, where one Member State is given 400 tonnes of wet fish and another Member nation is given 3 000 tonnes of wet fish. I think this is totally unacceptable. I hope we can get a satisfactory explanation.

**Mr Gundelach.** — (DK) I am afraid Mrs Ewing feels she has not had an answer to her question. I acknowledged that earlier concessions for the species she referred to created difficulties for a number of our own products, and that we have to proceed with great care and restraint in this matter. We know we must be careful about these products, which are of particular importance to certain North Atlantic islands belonging to the United Kingdom, and some areas in the south of that country.

Of course it is the Commission's principal objective in the fisheries policy to ensure that Europe's fishing industry can continue to expand. Let us be clear what we mean by fishing industry. We are talking about that part of the industry that operates on land and is a processing industry, and also that part that sells fish to the consumers. The fishing industry comprises three sectors altogether and all three must be able to thrive. Therefore, in our negotiations with third countries we must strike a balance, as I have indicated, to ensure that we do not find ourselves in a situation where we become bigger and bigger importers of fish and fish products, while our own share of active production — that is to say, the catching of fish or processing of our own catches — gets smaller and smaller, because our access to third country waters is getting smaller and smaller. There must be a balance and that is what we have got to look at in any negotiations, whether with Canada or with Norway or any other third country.

When we talk of the allocation of the catches obtained in agreements with third countries — and this is a different question — the honourable Member must bear in mind that these quotas have to be judged in the overall context. He must look at how the quotas which we have obtained from the Faroe Islands, Norway, and so on, have been allocated among the Member States. If you take only one country that we have signed an agreement with and throw up your hands in horror crying 'Discrimination! This or that Member State is getting only so much,' you are giving a false impression. You have to see the whole picture for all

**Gundelach**

allocations and all third countries with whom we have an agreement. Then you will see that the discrimination referred to by the honourable Member does not in fact exist, or insofar as there is any discrimination, it is in favour of one particular Member State, i.e. the United Kingdom.

**President.** — Question No 3 by Mr Combe (H-36/80):

A whole series of Commission regulations ranging from No 532/69<sup>1</sup> to No 262/79<sup>2</sup> while introducing successive amendments have always adhered to the policy of allowing processing firms to obtain denatured or other types of surplus butter at reduced prices provided they use more than five tonnes of butter per month. These rules have thus discriminated between large-scale users and small businesses, which are allowed only denatured butter, a product that does not meet their requirements. In the light of these facts, when will the Commission grant craft and small and medium-sized undertakings in the bakery and confectionery business who are prepared to form buyers' cooperatives or syndicates the same terms as industrial producers?

**Mr Gundelach, Vice-President of the Commission.** — (DK) This way of using our surplus butter is certainly more acceptable politically, but it involves some expenditure and must therefore be subject to adequate supervision. Otherwise, Mr Aigner would demand to know the reason why, and with good reason.

The fact is that so many small undertakings are now obtaining butter in a different form from the larger undertakings that the necessary checks are not being carried out. The right time to carry them out is during the actual making of the products or near enough to that stage. Since this cannot be done with hundreds of thousands of small businesses, it has not been possible to treat the large and small businesses in the same way, although dairy produce, butter in some form or other, is still being made available to the small businesses.

I could imagine that one solution to the problems facing these small businesses would be for them to combine together on a cooperative basis, so that supervision could be carried out at that point, for example a wholesale cooperative.

**Mr Combe.** — (F) I am a little surprised at the Commissioner's reply, although I do discern a certain willingness to accept the idea of a cooperative. May I remind him at the outset that European craft tradesmen have already formed cooperatives. These cooperatives have been functioning for many years and they would like nothing better than to benefit from this intervention butter. I must admit that I am surprised

by all this because I have heard innumerable questions about butter since I have been a Member of parliament.

These new provisions would enable the European consumer to benefit from the surplus stocks. But the small consumer is being refused the benefits granted to his larger colleagues. I am well acquainted with this whole problem and I would say quite clearly that the small consumers should be able to benefit from this intervention butter through their cooperatives. Obviously even if they then resold to other consumers — this seems to be the stumbling block — they would be acting against their own best interest since their turnover is determined in relation to their purchases and they would pay much higher taxes. Fears on this are unfounded.

Since there is a 'butter mountain' — although I have noted that in reality we import far more fats than we produce — I should like to know whether it is true that only 43 000 tonnes of the fats which we have imported from the United States have been liable for customs duty?

**President.** — I would again ask Members to comply with the Rules of Procedure and keep their questions brief. The Rules of Procedure specifically state that statistical data should not be included. I regret to say that under certain circumstances I may not permit further questions. Questions should not exceed two or three sentences. Otherwise many Members will not receive answers to their questions.

**Mr Gundelach.** — (DK) As I have already said, it is in the Community's interests to sell this butter on the internal market for industrial processing, for we have these large surpluses. This is an extremely costly way of disposing of the butter. Therefore, we must make sure that it is being used for the purpose we have paid for and not something else. That is what this Parliament wants, too. This can only be carried out effectively during the processing stage or through some organization that knows exactly what goes on during that stage. The fact that the small producers are members of cooperatives is not enough in itself; but if they combine in such a way as to make it possible to carry out collective checks, I would be only too pleased to enlighten them about the way in which they can obtain butter with financial help for their undertakings from the Community.

The second question about soya imports from the United States has very little to do with our surplus butter, because soya is used for other purposes. There are no special rules for one lot of imports and different rules for another. They are all treated in the same way.

**Mr J. D. Taylor.** — It is nice to compliment the Commissioner on the matter of butter. As one who has

<sup>1</sup> OJ L 71 of 22. 3. 1969.

<sup>2</sup> OJ L 41 of 16. 2. 1979, p.1.



**Taylor**

received many representations during the past six months from consumers and trade unionists in the bakery industry about lack of access to this cheaper butter, I welcome the Commissioner's positive reply today. Could I ask him, if, in view of the emphasis he placed on control of the distribution of this cheaper butter to the bakery industry, he will consider approving the setting up of a producers' board such as the Northern Ireland Milk Marketing Board to control the distribution of this cheaper butter to the bakery industry in Northern Ireland?

**Mr Gundelach.** — (DK) As I have already made clear, we shall be looking at the solution to the problem, which I know very well from earlier discussions and correspondence is a serious one. And, as I said before, I think a satisfactory solution can be found, if there is a central body representing the small producers, either in the form of a marketing board or in some other form which could ensure uniform supervision. We shall certainly consider this.

**Mr Paisley.** — Will the Commissioner assure us that his department will enter into real negotiations with an association already in existence in Northern Ireland that deals with small bakeries and those in the confectionery field?

**Mr Gundelach.** — I have just answered this, but we must, of course, be clear that we are not trying to solve a problem for Northern Ireland, even if it is one that concerns Northern Ireland. We are trying to solve a problem that concerns the Community as a whole.

**President.** — Question No 4 by Mr Moreland (H-42/80):

Does the Commission believe that the variations in the form of intervention by governments of Member States in the availability of finance for agriculture and industry and in the interest rate structure to be in the best interests of competition within the Community?

**Mr Gundelach, Vice-President of the Commission.** — (DK) It would undoubtedly be easier to administer the common agricultural policy in a sensible way, if there were not so many differences in interest rates and also in the rates of inflation and other economic factors in the different Member States, as is the case at present.

There has been some progress in regard to cooperation in the monetary field, even though it seems a rather hesitant kind of progress, especially when we consider what is called economic convergence. But, as long as such wide divergences exist in economic development in the different Member States, in inflation rates, employment and balance of payments, the Member States must be in a position to pursue an

economic policy which inevitably means that the general interest rate policy cannot be identical throughout the Community at the present stage of its development. The Commission can do nothing about this by direct action; it can only hope that cooperation on economic convergence will slowly but surely lead to a more acceptable situation than exists at the moment.

Meanwhile, while there are financing arrangements which discriminate between different branches of industry or different sectors of agriculture, there are ways in which the Commission can intervene and it has done this where there has been a clear breach of the rules on fair competition.

**Mr Moreland.** — Could the Commissioner tell us whether the Commission keeps a record of all the artificial interest-rates, the subsidized interest-rates and other aid, given to both agriculture and industry within the Commission? If it does not, will it do so in the future? If it does, would it make such a record available to Members so that we can see what the present situation is?

**Mr Gundelach.** — (DK) First, I should like to point out that the original question was about general financing policy, and general interest rates. And that is what I replied to. Obviously, as I also indicated in my answer, special arrangements do exist, so this brings up the question of national intervention. The Commission tries, in accordance with its remit under the Treaty, to keep a watch on developments in the various Member States, and collect information about special measures adopted by governments, so that we can establish whether these special measures are in accordance with the Treaty. If they are not, we can intervene. This information — I would not like to claim that it is comprehensive, but as comprehensive as we can make it with the limited staff at our disposal — we shall gladly make it available to Parliament.

**Mr Beazley.** — Is the Commissioner aware that, insofar as the Dutch Government is still maintaining a gas price for the glasshouse horticultural industry with which other Member States cannot compete and since the German and French Governments are said, in consequence to be subsidizing the energy price of that industry in their own countries by DM 50 million and FF 45 million respectively, there is no longer any common market in this industry and the conditions therein are completely unfair?

**Mr Gundelach.** — (DK) It is an exaggeration to say that we have reached a point where there is no longer any common market and no longer any free exchange of goods in the horticultural sector. Having said that, I am all the same prepared to admit that there is a problem in regard to the relationship

**Gundelach**

between the prices for gas and other forms of energy in different Member States, especially as they affect this sector.

The Commission has been examining this problem for some time, and has drawn up a very comprehensive report, which is about to be published, which will provide the basis for a more detailed study by the Commission and the Council of measures to create fair conditions in the horticultural market.

**President.** — Question No 5 by Mrs Scrivener (H-81/80):

Further to Parliament's request, formulated in specific terms during the initial stages of the 1980 budgetary procedure in an amendment adopted to Article 520 of the draft budget, does the Commission not consider it vitally necessary to provide a Community response to the serious problem of unemployment among young people by carrying out as soon as possible a preparatory study on the creation under the Social Fund of a Community pact for young people seeking their first job based on models already existing in certain Member States (subsidies and tax exemptions for undertakings employing young people)?

**Mr Vredeling, Vice-President of the Commission.** — (NL) I would point out that under the European Social Fund we have in recent years been giving increasing support for the vocational training of the young unemployed. A decision was taken to this effect in 1975; in 1978, acting on a proposal from us, the Council also decided to grant special premiums to undertakings which employ young people and also subsidies to the Member States for special projects in which the young unemployed could be set to work on non-commercial activities. If we take the 1980 budget, which has unfortunately not been adopted, as our point of departure it will be seen that over 1/3 of all the resources of the Social Fund are specifically intended for activities for the benefit of young people.

**Mrs Scrivener.** — (F) Since I find that answer altogether unsatisfactory, allow me to put a second question: now that close on 6 million persons in Europe are affected by unemployment, why has the Commission not incorporated into its new preliminary draft budget this proposal relating to an employment pact for young people? That seems quite unreasonable. Faced with such a vast problem, would it not be appropriate to consider every possible new solution? I should like the Commission to indicate to me exactly why it has not adopted this proposal.

**Mr Vredeling.** — (NL) Mr President, I could give you the formal answer that the Council in its wisdom has not adopted the 1980 budget yet but I shall not choose the facile solution. Since last year we have been

undertaking within the context of the Social Fund a special activity in the area of alternating education for young people — i.e. linked theoretical training and practical job experience. This is a similar type of pact to that mentioned by the honourable Member. The Commission considers that it would not be the right approach to turn this into a Community agreement as proposed in her question and as discussed in Parliament. Parliament has asked for this whole matter to be studied. Appropriations are earmarked for this purpose in the 1980 budget, at least in the preliminary draft. Mr President, we could certainly use these funds for further education. The Commission is already looking into the subject of alternating education including aspects of the apprenticeship system. It is therefore wrong to suggest that we are neglecting this subject but we cannot yet see how this study could result directly in a Community agreement for all young people from Northern Ireland to Sicily.

**Mr Boyes.** — There is no doubt that the greatest challenge facing the Community at the moment is unemployment, particularly amongst the youth. Is the Commission aware that some Member States, by reducing the cash available for deprived regions and thereby cutting the opportunities for job creation, are exploiting the activities of frustrated youth to pour more money into so-called law and order measures? Will the Commission, in preparing any reports, take into consideration the social consequences of unemployment amongst youth?

**Mr Vredeling.** — (NL) The material content of the honourable Member's question is confined to determining whether the Commission will take account of the needs of young people. My answer to that is in the affirmative. His question about law and order was in my view wrongly addressed.

**Mr Albers.** — (NL) Given that the existence of unemployment among young people and unemployment in general are partly attributable to the discrepancy between supply and demand, I should like to ask whether the 'Cedox' system is being applied — a system which is intended to bring supply and demand within the European Community closer together. It is interesting for example that the IJmuiden steelworks are unable to find enough personnel without bringing in workers from third countries. Mr President, may I remind you that I put this question within the time limit stipulated in the Rules of Procedure but that it has nevertheless not been included in the list of questions for today.

**Mr Vredeling.** — (NL) Mr President, the honourable Member's question does not relate specifically to unemployment among young people. However, I shall take this opportunity to inform him that although five hundred Yugoslavian workers have been engaged for

**Vredeling**

Ijmuiden, the Cedox system has made it possible at least to find some fifty English steelworkers. I shall say no more on this point since we are talking about unemployment among young people.

**Mr Paisley.** — As Northern Ireland, unfortunately, has the worst unemployment in the Community, could I put on record the gratitude of the people of Northern Ireland for these schemes for the training of youth, which are second to none in Northern Ireland as compared to the rest of the United Kingdom? However, could I ask the Commissioner if he does not feel that a further incentive needs to be given to encourage employers to take these young people who have had this training?

**Mr Vredeling.** — (NL) Firstly, we give priority to employers who take on young people when they recruit new personnel. There is then a Community subsidy equivalent to that granted at national level for these activities.

**President.** — Question No 6 by Mrs Clwyd (H-88/80):

In view of the grave problem of youth unemployment throughout the European Community and the expressed purpose of the European Social Fund to help alleviate that problem, through its aids to promote the employment and training of young people, will the Commission confirm that it is satisfied that the list of priority regions for the application of Article 4 Aids to Young People (the Youth Map) is an accurate indicator of need in respect of youth unemployment and an effective basis for the allocation of aid?

**Mr Vredeling, Vice-President of the Commission.** — (NL) Mr President, our view is that levels of youth unemployment in different regions must be compared. If the level is higher than the Community average in certain regions, we then give priority to the latter; special support is granted to regions in which youth unemployment is 30 % higher than the national average. The Commission considers that it must apply certain criteria because it receives two to three times more applications than it is in a position to meet.

**Mrs Clwyd.** — I am aware, of course, that the Commission needs to use some criteria. What I am questioning is whether the Commissioner believes that this is an accurate method of assessing need. He will know that on several occasions I have raised the matter in the Committee on Social Affairs and Employment, because Wales, one of the regions which is not on the priority map, has a consistently high rate of unemployment, in fact, one of the highest rates of unemployment in the United Kingdom. Therefore it seems rather strange to me that Wales should be omitted from the priority map. Now if this is true of Wales,

it is possibly true of other regions in the Community as well. That is why I am asking the Commissioner whether he believes that this is the most accurate indication of need in the Community. I suggest that this youth map is too crude a method and that there should be a way of refining the process of assessing youth unemployment needs in the Community.

**Mr Vredeling.** — (NL) I will concede to the honourable Member that one drawback is this: the criteria which we apply are based on a Community survey that is only taken at two-yearly intervals. Wales does not meet our criteria because the last survey dates from 1977. We conducted a further survey in 1979 and the results will be available within the next few weeks — certainly before the summer recess. I do not rule out the possibility that Wales will then fall within our criteria. I cannot make an accurate prediction, Mr President, because I do not have the gift of prophecy. However, I have contacted my colleague, Mr Ortoli, who is prepared to cooperate in a plan to hold these surveys annually instead of every two years — as I said, support is based on the survey results.

**Mr Rogers.** — Is the Commissioner aware that the primary reason for the exclusion of Wales from being a priority region is the timing of the census, which in that area was conducted immediately prior to the school-leaving time? Furthermore, taking Wales as one region results in a gross distortion of the statistical picture in that there are at least three different separate economic communities in Wales, although I certainly would accept that the whole of Britain is rapidly becoming a priority region under Mrs Thatcher's reactionary government.

**Mr Vredeling.** — (NL) We have in fact looked into the position regarding Wales, and the experts do consider that the school-leaving age is different from that in the rest of the Community. However, this does not have a significant impact on the percentage of youth unemployment — or so I have been assured by our own experts after consultation with British experts. As regards the division of Wales into sub-regions, Mr President, I prefer to await the figures which I announced to you since the new statistics may show that the whole of Wales already meets our criteria, thus making any further sub-division superfluous. Mr President, I am sorry that I must stick so closely to the letter of our criteria — otherwise we shall have the whole of Alsace-Lorraine at our door tomorrow and whole areas of Italy close behind.

**Mrs Le Roux.** — (F) Mr President, does the Commission not think that the essential results of the measures taken at national and Community level have been fresh public financing for the major undertakings, in other words increased support for their profit levels? Is it not true that unemployment among young

**Roux**

people has continued to increase considerably since these measures were first introduced?

**Mr Vredeling.** — (NL) That is not correct. Since this measure was taken last year, youth unemployment in the Community has stabilized around 40 %. This percentage is of course still far too high but it is not correct to say that there has since been a relatively steep rise in unemployment. As regards the benefits accruing to big undertakings from this measure, I have no evidence of that so far. Our facilities are granted on the basis of national rules and we are of course dependent on those rules in granting assistance through the Social Fund.

**Mr Spencer.** — In the light of the Commissioner's last two answers, would he not agree with me that, if the Commission's figures were derived solely from the Commission's own research and not from the secondary use of national unemployment statistics, the situation would be much healthier and would enable the Commission to break down black spots of unemployment? I know that at the moment a lot of regions of the United Kingdom are literally too large for the unemployment problem to be identified. Would the Commissioner not agree with me also that the somewhat dubious nature of unemployment statistics in the applicant States makes a Community-wide household survey a matter of urgency?

**Mr Vredeling.** — (NL) I agree with the honourable Member on the matter of the scale involved. We are already conducting a Community survey based on Community criteria. The drawback of national statistics and of their use is the lack of comparability between them. I have already said that we are making serious efforts to conduct annual surveys. Many of the objections to our present method would then be overcome.

**Mr Price.** — In the United Kingdom there are four priority regions, of which the North-West of England is one. Is the Commissioner aware that the position in the North-West of England as a whole masks an especially bad situation in the Merseyside area, and is he aware that the position in some parts of Merseyside is so grave that, for example, in Kirkby, part of Merseyside, only about 160 of over 800 children who left school last summer have so far found permanent employment? Given that situation, will he confirm that that area will receive urgent priority treatment from the Commission?

**Mr Vredeling.** — (NL) I cannot make all kinds of promises in the middle of this debate. I had no prior notification of these questions, otherwise my staff could have looked into them. I am therefore unable to give the Honourable Member an assurance that the

region to which he referred will be given priority in the allocation of aid. I would refer him to the studies that we carry out and in particular to the procedure under which national governments submit their projects to us. That procedure may have been followed, Mr President, but we must apply our criteria for the allocation of aid.

**President.** — Question No 7 by Mrs Ewing (H-527/79):

Will the Commission recommend a derogation from the tachograph regulation for lorries from island-based firms and also for those operating from a base eighty kilometers from a motorway?

**Mr Vredeling, Vice-President of the Commission.** — (NL) In answer to this question I would refer, for complete information, to the answer to previous written questions, namely 1334/79 and 1460/79. Those questions were on the same subject. The Commission still fails to see why truck drivers in remote areas should be placed at a disadvantage, simply because they live in such areas, and deprived of the benefit of the tachograph. I imagine that the honourable Member knows that, after some difficulty and following long discussions with England, we fixed a special period of three years as an exceptional initial phase for the progressive introduction of the EEC rules on driving hours. The reason for this was that in Ireland and England there is an above-average number of haulage contractors in remote areas. Mr President, the Council could not agree to a more far-reaching concession. The regulation exists and the Commission does not intend to submit proposals to the Council for further amendments to the provisions in respect of vehicles based on islands or trucks operated from a centre located more than 80 km from a motorway.

**Mrs Ewing.** — It is disappointing that the Commissioner should repeat the insult to my country of Scotland by calling Britain, England, as he did in his answer. It happens a lot and I do not always comment on it, but it really is very trying to the Scots. It is very trying because it is noticed back home.

I would like to ask the Commissioner if the people who talk so glibly about how generous they seem to have been in three years of making concessions have ever been to the remote area that I represent. It is an area the size of Belgium or Denmark, with 80 inhabited islands. I ask you, how can small businesses survive when they have got to have these rules applied strictly? I really wonder how Mr Jenkins, who is not here today, can possibly claim that this Community wears a human face towards the Highlands and Islands of Scotland if they get glib answers of the kind I have just received, which have shocked even me. Does he know how few miles of motorway there are?

**Ewing**

Does he know that the A9 is a laughing stock and that English tourists keep going off it to look for it? Does he know that we have single line roads for major industries in Scotland?

I really do despair sometimes — though I do not want to despair — at answers of this kind. If he will not look at my question seriously, then would he look at what every industry has written to me from Scotland — the haulage industry, every manufacturing industry, the Highlands and Islands Development Board. These people want you to listen to them, instead of just blithely making arrangements to send them tachographs. This is not a Community with a human face, Mr Commissioner, if you are going to give answers of this kind.

**President.** — Mrs Ewing, with all due respect, to Scottish national feeling and your indignation, I would point out that this is Question Time and not a debate. Since you state that you find it offensive, I would point out that the United Kingdom and not Scotland signed the Act of Accession to the European Community. I feel I must defend the Commission when it is accused of being offensive.

**Mr Vredeling.** — (NL) Thank you, Mr President, for speaking in defence of the Commission. However, I am not really under the impression that we are in need of protection in this matter.

I apologize for using the term 'England' but only on condition that you never refer to my own country again as 'Holland' but by its full title of the 'Kingdom of the Netherlands'. Perhaps we can make a deal on that.

As to the substance of the question, we have taken all possible steps to make the situation tolerable for islands and remote areas and the Commission has granted England a three-year transitional period specifically with a view to its problem areas. If the Honourable Member is still not satisfied, and I rather have the impression that she is not, I am very sorry indeed but the Commission cannot do much more. There are now certain regulations and they must be applied.

**Mr Hutton.** — May I just mention to the Commissioner that I represent the other end of Scotland just to warn him in advance.

Does the Commission intend to monitor where the calibration centres for tachographs are to be set up in the United Kingdom and in Scotland, so that haulage contractors in these deep rural areas have a reasonable chance to get to these centres and are not further disadvantaged in their business by remoteness?

**Mr Vredeling.** — (NL) Should we not really leave this to the British authorities? It should surely be up to them to set up these centres in reasonable places. I am inclined to leave this in the first instance to the sense of responsibility of the British authorities themselves.

**Mr Purvis.** — If the Commissioner is going to be so inflexible in applying the rules in these remoter areas — and may I say that I suspect that a degree of flexibility would be desirable — will he seriously consider 100 % Community financing of major road and ferry improvements in these areas, so that drivers can at least cover a decent distance within their time limits?

**Mr Vredeling.** — (NL) I do object to the use of the term 'inflexible' to describe our response to this matter. We have made a special exception for the United Kingdom and extended the period of adjustment for that country and Ireland by three years. I do not think we can be accused of inflexibility on this. I do not know whether it would help to solve the British budgetary problem if we were to finance in full the cost of road construction and ferry services but I do not feel that the Commission can make any such proposal to the Council.

**President.** — As Mr Van Aerssen is not present Question No 8 will receive a written answer.<sup>1</sup>

Question No 9 by Mr Seal (H-8/80):

In respect of Parliament's Resolution of 16 December 1977 on the crisis in the textile industry,<sup>2</sup> what efforts has the Commission made 'to ensure that the recommendations and conventions of ILO (International Labour Organization) are applied in the developing countries' and, in particular, to require multinational undertakings with headquarters in EC countries 'to respect the social conditions laid down by ILO in the developing countries'?

**Mr Vredeling, Vice-President of the Commission.** — (NL) In November 1978 the Commission already forwarded a communication to the Council on development cooperation and on compliance with certain minimum standards relating to working conditions. The Commission is of the opinion that the standards which apply in the context of the international labour organizations should be implemented worldwide — in other words there should be no discrimination in a number of areas including a 48-hour limit on the working week, a prohibition on the employment of children and on dangerous work — these are minimum standards which we should like to see applied. We have ourselves proposed to the Council that the trade preferences granted by the Community to certain countries should be made conditional on this.

<sup>1</sup> See Annex.

<sup>2</sup> OJ No C 6 of 9. 1. 1978, p 130.

**Vredeling**

The Council has not yet reacted to our proposal which seems to have been left in abeyance but we hope that the Council will be able to make some kind of a statement on it in June and that a positive decision will in fact be taken then. So far we have been given no mandate by the Council. We have also submitted proposals for a review of the system of generalized tariff preferences and in that context closer attention will be given to compliance with ILO standards by multinational undertakings. We shall also raise the matter within the North-South Dialogue which we hope to see resumed shortly.

**Mr Seal.** — That was a most pathetic answer, if I may say so. What the Commissioner is saying, if I understand him rightly, is that, although this was decided in 1977, a communication has been made to the Council and that the Commission may consider putting pressure upon the multinationals. That is certainly not good enough. I am sure the Commission is aware that our textile industries are being undercut by cheap imports from these countries, made possible by the appalling conditions that the people there have to work under, and by the very low wages they are paid. I am sure the Commission is also aware, because I have mentioned it several times in this chamber, that my constituents are losing jobs at something over 500 a week because of imports from these countries. Today, in the national news and in press releases, we were told that Commissioner Haferkamp suspects that South Korea and Hong Kong are perpetrating frauds with regard to textile exports to the EEC. My supplementary, question is, when is the Commission, in view of these facts, not only going to implement the decisions taken by this Parliament in 1977 but tighten controls and make enforcement effective, quick, and where fraud exists, to take retaliatory action?

**Mr Vredeling.** — (NL) We are dealing here with proposals from the Commission to the Council in the context of the granting of preferences to developing countries. As far as I know the Council has not yet taken a decision on this but we are hoping for a favourable response in June. I would also like to point out that these proposals have not been made to protect workers within the Community itself. The honourable Member seems to be going too far in making that assumption. Our proposals are intended in the first place to protect the interests of workers in the developing countries.

**Mr Welsh.** — The Commissioner will certainly be aware that this issue is raised on frequent occasions by those who have little concern for the conditions of workers in developing countries but are very concerned to protect their domestic industries from low-cost competition. Of course one would not dream of imputing any such motive to the honourable Member who actually raised the question.

Would the Commission agree that the enforcement of ILO regulations as a condition of trading with the Community would constitute an unacceptable interference with the sovereignty of independent States, and could he say whether he actually has details on any documented cases in which multinational companies, as opposed to local companies, actually have acted in breach of the ILO regulations, and would he be prepared to publish those details?

**Mr Vredeling.** — (NL) To answer that question I should first need to obtain data from the International Labour Organization. I do know that complaints are addressed to that agency in respect of situations which are sometimes connected with the conduct of the multinationals. However, it would be quite wrong to suppose that all multinational undertakings offer bad working conditions: working conditions in those undertakings are generally better than in domestic concerns — if I may say so. I cannot give a precise answer as to whether complaints have been made about the conduct of multinationals in various parts of the world, particularly in the developing countries. I cannot rule that possibility out, Mr President, but such complaints are in fact lodged with the ILO.

**Mr Enright.** — With regard to another part of the world, how far is the Commission pressing ahead with a genuine examination of the dumping of cheap clothing from the Comecon countries; of which there is ample evidence within my own constituency of Leeds and Batley and which is destroying jobs there? Are the Commission and the Council taking concerted action, or is it to be another case — as with the USA — of sitting back because they are rather stronger powers than the Philippines, for example?

**Mr Vredeling.** — (NL) The Commission has very wide responsibilities and I am having to answer all the questions, even those addressed to my colleague, Mr Haferkamp. I do not know whether talks are in progress at present with Comecon. Certainly something is being done. I know too that there are certain difficulties with the price of imports from Comecon countries. Bilateral talks are in progress with Comecon countries to put an end to dumping practices. I cannot say much more than that for the present. I think it would be preferable for the Commissioner responsible for relations with Comecon to give a more precise answer.

**President.** — Question No 10 by Mr Berkhouwer (H-120/80):

What conclusions is the Commission expecting to draw for its staff policy in the light of the memorandum by Sir Roy Denman concerning the current situation among Commission staff which has meanwhile been contested by the union of the Commission staff, as reported in The

**President**

Times of 22 April 1980, according to which Commission officials have, through frustration, become addicted to drink and are guilty of theft, while currency frauds are perpetrated involving the Belgian franc and incompetent officials cannot be dismissed?

**Mr Tugendhat, Member of the Commission.** — During discussions on the follow up to the Spierenburg report, senior management staff were invited to send their views to the group of Commissioners asked to advise on the implementation of the report. The memorandum referred to is considered on its merits along with other expressions of opinion received from members of staff and their representatives. In view of certain comments made in the press in some Member States, I should like to take this opportunity, on behalf of the Commission, of expressing appreciation of the quality and integrity of the Commission staff.

**Mr Berkhouwer.** — (NL) Since Sir Roy Denman's memorandum was addressed to the Commission at the Commission's own request, is it then true, as reported in the international press, that Sir Roy's report — prepared as I said at the Commission's own request — states that some Commission staff, and I now quote in English to prevent the Commissioner claiming that there have been translation errors, 'have become addicted to drink and are guilty of theft, while currency frauds are perpetrated involving the Belgian franc and incompetent officials cannot be dismissed?'

Did Sir Roy write those words in his report to the Commission or did he not, and if he did could the Commission not best refute these allegations by publishing the actual text of the report?

**Mr Tugendhat.** — First of all, Sir Roy Denman's document was a letter to my colleague, Vice-President Ortoli. After the Spierenburg report was published Mr Ortoli, in his capacity as a senior member of the group of Commissioners which included Mr Davignon and myself, had a meeting with all the Directors-General and invited them to submit to him their views on various aspects of the report. Sir Roy Denman sent a personal communication to Mr Ortoli. That document was subsequently leaked, it was not published by the Commission. It is in no sense an official document, it is a personal expression of view. Secondly, Mr Berkhouwer was kind enough to use my own language, and the terms which he used do not appear in the document in hand. Sir Roy Denman was drawing attention to a general problem which of course applies in all public services namely that, because of the nature of staff regulations, it is often very difficult to sack people. But I must say to the House that, first of all the Commission does sack people, contrary to the impression which has got about, and, secondly, I would emphasize that many of the allegations made by

Mr Berkhouwer do not appear in Sir Roy Denman's note. Those that do are referred to only in an illustrative sense and they are certainly not rife in the Commission. I think that, compared with any national administration, the Commission stands up extremely well.

(Laughter)

**President.** — Question No 11 by Mr Balfe (H-58/80):

Whether in any of the months of January, February or March they have exceeded the provisional twelfths allocated to them under any of the chapter headings of the Commission budget and whether in any of these months they are aware of any overspending by the European Parliament under any sub-heading of that institution's budget and if so, which chapters and by what amounts? Will the Commission publish a table showing for each chapter of the budget of the Commission and the Parliament the provisional monthly allocation under the twelfths system and the amount spent under each chapter in each of the months of January, February and March?

**Mr Tugendhat, Member of the Commission.** — For the first quarter of 1980 the Commission stayed within the limits laid down in Article 8 of the Financial Regulation of 21 December 1977 concerning the application of provisional twelfths. Supplementary twelfths were provided by the Budgetary Authority in relation to Chapters 21, that is certain administrative expenditure, and 59, which is disaster aid within the Community, and of course special arrangements were authorized by the Budgetary Authority in relation to Chapter 95 which is aid to the Afghan refugees. A special request for supplementary twelfths has just been submitted by the Commission to the Council and to the European Parliament — on 7 May 1980 to be precise — to cover requirements under the EAGGF Guarantee Section. Full details are given in this document on the financial situation for Titles 6 and 7 of the budget. Further details on the whole of the budget are provided in the quarterly report which will shortly be available to Members.

As far as the Parliament's budget is concerned information on the implementation of provisional twelfths up to 31 March 1980 has been sent to the Commission by the European Parliament for inclusion in the first quarterly report on the financial situation. This information indicates that Parliament has observed the limits prescribed by Article 8 of the Financial Regulation in relation both to commitments and payments.

**Mr Balfe.** — I would like to make three separate but related points. First, the Commissioner stated that

**Balfe**

application had been made to the Council and to the Parliament for extra money for Guarantee expenditure. Now according to my information we, or rather you, overspent by some 256 million units of account in January, and 116 m.u.a. in February, this being an expenditure of 892 m, plus a carryover of 200 m, in January and an expenditure of 952 m in February as against an entitlement of 836 m. This would add up, if it were continued, to an overspending of certainly 1 000 m units of account in the current year. What I would like to know is how it was that the expenditure, which, I believe, should have been predictable, was incurred for such a long period before the application was, as you rightly say, Mr Commissioner, sent in May.

The second point, which is linked, is the point about Parliament's budget. Whilst you say that, on the Commission's interpretation, there is no overspending under the appropriate article, this interpretation, of course, begins with an allocation of three-twelfths plus two one-twelfths added on. In the document which has been circulated, PE 64 911, with a table of parliamentary expenditure, in the footnote you say that the utilization of commitments equals 41.66 %, even on your own calculations. Now under Title 13, 40.66 % has been spent.

So the point is how are we going to continue to fund this particular chapter, which has now reached the limit of expenditure even under the five-twelfths system.

My final quick point is how are we managing to honour the cheques which are being issued by the Community when we have in fact overspent? Where is the money in the bank which is being paid out?

**Mr Tugendhat.** — First of all I will take the point about the Parliament's budget. I am not in a position to discuss the details of the Parliament's budget, in relation to which the practice in the Community is, of course, well known. As I said in my original answer, no case of overspending has been identified, but I think questions relating to the Parliament's budget ought rightly to be directed to the people responsible for running the Parliament.

So far as the EAGGF (Guarantee Section) is concerned, I hesitate to repeat the very lengthy explanation which I gave in the Committee on Budgets — and I recollect that Mr Balfe was present at that time — in which I explained how in the case of this obligatory expenditure the advances are by way of being commitments and are only transformed into payments at the point where the expenditure is entered; and that, of course, is done some time in arrears. I provided a rather lengthier explanation of that when I was in the Committee on Budgets, as he will recall. Therefore, of course, the expenditure only shows up when the final entry is made. As I also

explained at that time in the Committee on Budgets, the expenditure is, of course, actually made by the appropriate national authorities, so that we make over the money which is by way of being commitments and it is they who are responsible for the payments. When eventually the entries are made, we are in a position to check. At that point, we became aware of the situation and also of the particular chapters and areas in which the spending was so high, and it was at that point that we came forward with our request for additional twelfths. I would emphasize that our request for additional twelfths has been tailored in such a way that it is not across the board — that there are some places where the request is quite substantial, others where it is not very substantial at all and others where it is non-existent. Of course, while the twelfths last — and Mr Balfe was quite right when he suggested that by definition they will not last indefinitely — and while the Member States remit their contributions to the Community, clearly there is money in the bank to meet the bills.

**President.** — Time does not allow me to take any further Supplementary questions.

The first part of Question Time is closed.<sup>1</sup>

### 17. *Deadline for tabling amendments*

**President.** — I call Mr Pannella.

**Mr Pannella.** — (F) Mr President, I ask leave to speak on the basis of Rule 13 of the Rules of Procedure. It is now 7.50 p.m. and we have not yet received the Radoux report. We certainly cannot be asked to table amendments by 10 a.m. tomorrow morning. That would be ludicrous, since we cannot now have the Radoux report before tomorrow morning. My view is that the position of Parliament on these agreements with Yugoslavia has been intolerable for months now. I would ask you to fix a time limit tomorrow afternoon for tabling amendments to the Radoux report, on the understanding of course that we in fact receive the report early in the morning.

**President.** — Mr Pannella, your request is well founded.

I propose to the House — provided the report is distributed by 10 a.m. — that the deadline for tabling amendments be fixed at 6 p.m. tomorrow.

Are there any objections?

That is agreed.

<sup>1</sup> See Annex.



18. *Urgent procedure*

**President.** — I have received two motions for resolutions with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure:

- by Mrs Chouraqui and others on Yugoslavia after Tito (Doc. 1-71/80),
- by Mr De Pasquale, on behalf of the Committee on Regional Policy and Regional Planning, on the revision of the Regulation establishing the European Regional Development Fund before 1 January 1981 (Doc. 1-171/80).

The reasons supporting these requests for urgent debate are set out in the documents themselves. I shall consult Parliament on these requests at the beginning of tomorrow's sitting.

19. *Electronic vote*

**President.** — In order to ensure that the electronic voting system is working smoothly the enlarged Bureau has recently undertaken a series of measures. During the last few weeks technical tests have been carried out. However, Parliament itself must now make a final check on the electronic system. For this purpose, the cards have been inserted in the appropriate slots. It was originally intended to carry out this test this evening, but as I notice that there are a large number of Members absent I feel it would be better to carry out the test when as many Members as possible are present in the House, since we need to check as far as possible whether all cards are correctly recorded by the machine. I therefore postpone the test until tomorrow at a time when we anticipate that as many Members as possible will be present.

20. *Decision on an early vote*

**President.** — We must now decide on the request for a vote without referral to committee on the motion for a resolution to wind up the debate on the oral question to the Commission on *World Conservation Strategy* (WCS) (Doc. 1-112/80).

I call Mr Muntingh.

**Mr Muntingh.** — (NL) Mr President, on the Friday of our last part-session we held a debate on the World Conservation Strategy. During that debate it became clear that this is a particularly important matter. The importance is reflected in the fact that the resolution now before us has been signed by all the political groups in this Parliament. That in itself is most unusual. I just wanted to say that it is extremely

important if the Community is to pursue an effective nature and environment policy for this resolution to be put to the vote at the earliest opportunity so that we can then set to work on its implementation. On behalf, I presume, of all the authors of this resolution, I therefore appeal to Parliament to put it to the vote rapidly.

*(Applause in various quarters)*

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

The request is approved. The vote will be taken tomorrow during voting time.

21. *Surveillance of shipping routes supplying the Community.*

**President.** — The next item is the vote on the motion for a resolution by Mr d'Ormesson and others (Doc. 1-119/80) on the surveillance and protection of shipping routes for supplies of energy and strategic materials to the countries of the European Community. As the vote had to be postponed because of the absence of a quorum, the motion for a resolution must now be put to the vote.

I have received from Mr Glinne and others a request for the establishment of a quorum for this vote. Two alternatives exist under Rule 33, namely that the request be made by either ten and thirty members. Since the Rules of Procedure refer to the Members present a signed written request is not sufficient. I therefore ask those who support Mr Glinne's request to rise so that it can be determined how many Members request it.

*(More than 30 Members rose)*

37 Members support the request. Under Rule 33(4), if so requested before the voting has begun by at least 30 Members present, a vote shall be valid only if a majority of the current Members of Parliament have taken part in it. Should this not be the case, the vote shall be placed on the agenda of the next sitting.

*(A large number of Socialist Group members left the Chamber — protests from the centre and the right)*

If it is now established — and this is a lacuna in the Rules of Procedure — that a quorum is again not present the matter will again have to be postponed. For this reason during the discussion today between the political group chairmen and the President it was felt that, by analogy, the provisions regarding Rule 33 (3) should also apply to Rule 33(4) so that if a quorum were not present — I am not stating that that is here the case, there may in fact be 206 Members present — the motion for a resolution should, under Rule 26(2)

**President**

be referred back to committee. This is an interpretation of the Rules of Procedure.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Sir, the agreement was that if under Rule 33(3) the House was not quorate — in other words, if there weren't 136 Members present — then the matter would be referred to committee. But that is not what the honourable gentlemen opposite have done. They have asked for a vote and requested you to find out whether at the vote we are quorate — and you quite rightly read out yourself what the rule is: if at the vote a majority of the current Members of Parliament — in other words 206 — are not present, then it shall be deferred to our next sitting, which is tomorrow. Therefore, if we proceed under Rule 33(4) and we are not 206 voting, I insist that the vote be taken again tomorrow.

*(Applause from the centre and from the right)*

If we are proceeding under Rule 33(3), then I insist that you count the House now, Sir, to establish whether 136 Members are present. By my count, they are.

*(Applause from the centre and from the right)*

**President.** — I must first ask Mr Glinne in view of the fact that this request only mentions Rule 33, whether it is being made under Rule 33(3) or Rule 33(4).

*(Laughter)*

I call Mr Glinne.

**Mr Glinne.** — (F) Mr President, at the meeting of the Conference of Chairmen this morning you will have observed the conclusion that Rule 26(2) should be interpreted by drawing a certain analogy between Rule 33(3) and Rule 33(4). To put it clearly, this means that if the necessary quorum does not exist, Rule 26(2) must apply — in other words reference to committee is automatic when two votes have been taken with a request for the number of Members present to be ascertained and if the requisite quorum has not been obtained. That is the purport of our request.

**President.** — I shall begin by explaining the consideration which formed the basis of this morning's discussion. I am myself a member of the Committee on the Rules of Procedure and Petitions. Rule 26(2) was introduced to prevent a motion for a resolution being postponed from vote to vote and from sitting to sitting for lack of a quorum. In other words, in such cases the political solution of referral back to committee would

be sought. The problem is the the report is the basis for the debate although, Parliament only votes on the motion for a resolution. What is important here — as everyone, I am sure, understands — is that the President must decide whether or not a political question can be solved with the help of the Rules of Procedure. The view taken this morning was, therefore, that the President must decide and, if it is felt that he has reached a wrong decision, the matter can be referred back to the enlarged Bureau and the Committee on the Rules of Procedure and Petitions. This is quite clear.

This morning I myself stated — and the President who was present agreed with me — that by analogy the provisions of Rule 26(2) should also apply in the case of Rule 33(4). That was the outcome of this morning's discussion, but a quorum was not present when the discussion took place.

*(Interruption)*

... Of course, the President must guide the sitting.

In any event Parliament clearly wishes to arrive at a political decision rather than postpone the matter from sitting to sitting. Referral back to committee is a political decision which would enable a political solution to be found.

*(Uproar)*

I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I had already asked to speak on a procedural point previously. First of all, there are certain doubts as to what was actually agreed this morning at a meeting which I was unfortunately not able to attend. My colleague, Mr Scott-Hopkins, has already reported on this and you were present yourself.

In my view the Rules of Procedure do not clearly state that Rule 26 refers explicitly to Rule 33(3) so that Rule 33(4) cannot be applied, especially as we are concerned here with two completely different decisions. A decision on which 206 Members must pronounce is qualitatively different from a decision requiring one-third to vote. A minimum number is therefore indicated when the intention is to obtain an absolute majority of Members as the quorum. The wording of the Rules is perfectly clear on this and there is no room for interpretation.

But I want to make an observation connected with your own remarks on the political decision. I entirely share your view on this. But, Mr President, do you not also have the impression that the Socialist Group is regrettably making use of the quorum requirement as

**Bangemann**

a procedural trick to prevent a political decision from being reached?

*(Applause in the centre and on the right of the House)*

Of course reference to committee is not a political decision. This House is able to take a political decision and I would ask my colleague, Mr Glinne, to give thought to the consequences of his attitude. If a minority is able to employ procedural tricks to prevent majority decisions, he must expect the members of the majority to resort to the same tactic when it suits their purpose. However, that would be prejudicial to the entire Parliament; Mr President, I therefore call upon you to act in the interests of Parliament and in accordance with the clear wording of the Rules of Procedure by putting this matter to the vote here and now.

*(Applause in the centre and on the right of the House)*

**President.** — In order to explain to the House the reasons for this decision I must make one thing clear, and Mr Nord, who deputized for you this morning, is an expert in these matters. One question played an important role. I drew attention to the lack of precision in the Rules of Procedure. It was argued that if a request by 10 Members is sufficient for referral back to committee when 137 Members are present, then, logically this should also be possible when a much larger number of Members is concerned. Parliament is still learning how to deal with certain procedural questions. I believe that it is right for me to inform the House that today's proposal raised procedural rather than political considerations. As is clear from the example of Mr Nord and Mrs Veil, these considerations were put forward independently of any party political affiliations.

It is already 8.10 p.m. and we may have problems with the staff.

I call Mr Luster.

**Mr Luster.** — *(D)* Mr President, I wish to compliment you on the fairness with which you applied the Rules of Procedure at the opening of our sitting today — your fairness was admired by us all. I wanted also to draw your attention to a point that you have yourself just made — namely that it is now 11 minutes past 8. I was invited to attend a sitting lasting from 5 p.m. to 8 p.m. and I take the wording of such invitations seriously. The discussion of the matter which we are now considering — as I noted with my colleague Mr d'Ormesson who of course also has an interest in it — began shortly after 8 p.m. I object to so important a matter being raised for a decision after 8 p.m., in other words after the time at which the sitting was due to end.

Mr President, If you continue to adhere to your decision and to the opinion that 10 or certainly 30 Members can achieve this result, I would make the following point: our Rules of Procedure which you described earlier as the constitution of Parliament, leave no loophole in Rule 26 (2). Reference is made at that point to Rule 33 (3). The authors of that text who referred to Rule 33 (3), but not to the subsequent Rule 33 (4), clearly intended — on this my interpretation is different from yours — to exclude the latter.

*(Applause in the centre and on the right of the House)*

That is the logical conclusion. In other words you cannot maintain that one provision is rather less extensive and the other rather more — on the contrary it is an *aliud* to use the Latin expression, a different provision which cannot be compared with the other. Mr President, I should greatly appreciate it if you would continue the proceedings in the same exemplary manner as you began them and apply the Rules of Procedure correctly on this not unimportant point. For the rest I shall pass no comment on the group which is today behaving in a manner that would make the work of this Parliament impossible if it were followed by others.

*(Applause in the centre and on the right of the House)*

**President.** — To begin with I deeply regret that after the discussions which were carried out so harmoniously, the serious problem of an interpretation of the Rules of Procedure — on which there were differences of opinion right across the political groups — has taken this turn. However, it is not for the President to pass judgment. I have to deal with a different problem. I have received a request for a roll-call vote in the event of a vote being taken, and three further requests to speak. According to the agenda the sitting should end at 8 p.m. It is now 8.14 p.m. I cannot deal with three points of order and then go on to take a roll-call vote. I must comply with the agenda which states that the sitting should end at 8 p.m., even though there may be objections to this. We need at least 30 to 45 minutes. I therefore regret that this difficult point cannot be concluded.

*(Laughter)*

## 22. Agenda for next sitting

**President.** — The next sitting will be held tomorrow Tuesday, 20 May 1980 from 9 a.m. to 1 p.m. and from 3 p.m. to 7 p.m. with the following agenda:

- Decision on urgency
- Luster report on amendments to Parliament's Rules of Procedure (presentation)

**President**

- Second Provan report on sheepmeat
- Second Sutra report on liqueur wines
- Second Buchou report on the wine market
- Gautier report on fishing in the NAFO regulatory area
- Bocklet report on breeding animals of the porcine species (without debate)

- Boyes report on combating poverty
- Balfour report on the increase in oil prices

3.00 p.m.: Voting time (including votes held over from that day's sitting).

The sitting is closed.

*(The sitting was closed at 8.15 p.m.)*

## ANNEX

COMMISSION ACTION ON OPINIONS DELIVERED BY THE EUROPEAN PARLIAMENT  
AT THE APRIL PART-SESSION

1. At its April part-session, the European Parliament delivered 10 opinions in response to Council requests for consultation. In two cases the no-report procedure was used, to deliver favourable opinions on:

- a proposal for a directive amending Directive 77/99/EEC as regards the medical examination of staff involved in the manufacture of meat products;
- a proposal for a directive amending Directive 71/118/EEC as regards the medical examination of staff involved in the production of poultrymeat.

2. At its April part-session, Parliament debated the following four reports which received favourable opinions or did not give rise to requests for formal amendments:

- Report by Mr Linde on the communication concerning the Community's new energy-policy guidelines
- Report by Mr von Wogau on a directive concerning certain methods for the quantitative analysis of binary mixtures of textile fibres
- Report by Mr Michel on the proposals for food aid regulations for 1980
- Report by Mr Woltjer on a proposal for measures relating to the conservation and management of fishery resources and applicable to vessels flying the Swedish flag.

3. Parliament proposed the amendment of Commission proposals in four cases and in two of these cases the Commission agreed to such amendment:

- (a) Report by Mr Gonella on the proposal for a directive on the right of residence of Member States' nationals in another Member State's territory
  - An amended proposal will shortly be forwarded to Parliament and the Council
- (b) Report by Mr von Wogau on a directive on the harmonization of turnover taxes and excise duties applicable to international passenger traffic
  - An amended proposal will shortly be forwarded to Parliament and the Council.

In two cases the Commission preferred to maintain its original proposals:

- Report by Mr Luster on a directive on health problems arising from the importation of bovine animals and swine and fresh meat from third countries
- Report by Mr Nyborg on a proposal for a directive coordinating the procedures for the award of public supply contracts.

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*Questions which could not be answered during Question Time, with written answers*

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*Question No 8 by Mr van Aerssen (H-528/79)*

Subject: Harmonization of turnover tax rates

When will the Commission propose a directive on a uniform level of turnover in the nine Member States above or below which the standard rate ceases to apply?

*Answer*

The Commission takes the view that the harmonization of national systems of VAT rates is one of the necessary conditions for the abolition of fiscal frontiers in the Community and, therefore, for the creation of a true Community market. Such harmonization requires the unification not only of the number of rates applied in each of the Member States but also of the lists of goods and services subject to these rates in each Member State.

The Commission is aware of the fact that the pursuit of an action of such a wide scope will run up against some of the most difficult problems in fiscal harmonization at Community level. Even if its inevitable budgetary economic and social repercussions can be softened by a progressive approach over a period of time, such harmonization could nevertheless give rise to very substantial changes in the national tax structures of certain Member States.

This is why the Commission wishes to await the emergence of a certain political consensus before submitting proposals to the Council. In addition the Commission wishes to have the results of a detailed technical discussion of its Report to the Council on scope for convergence of tax systems in the Community.

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*Question No 12 by Mr Remilly (H-59/80)*

Subject: Exemptions for duty-free shops

At a time when Community financing is proving to be such a serious problem, how does the Community assess the losses on the untaxed turnover of duty-free shops in airports? Does it intend to take steps to limit the effect of this?

*Answer*

The Commission is aware of the fact that the exemption of sales made in airport tax-free shops can affect own resources arising from the common basis of assessment of Value Added Tax and, when the goods are not in free circulation, from customs duties.

The Commission does not have the information required to estimate precisely the effect of these sales on own resources. It takes the view, however, that any such effect is very small in relation to the total of own resources and that the existence of tax free shops has no significant effect on the problem of future financing of the budget.

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*Question No 13 by Mr Poncelet (H-83/80)*

Subject: Organization of the market in plums

Given that aid granted in respect of competing products has now made plums completely uncompetitive does the Commission plan to include plums in the Community mechanism?

*Answer*

As the honourable Member has already been told in the Commission's answer to the Written Question (834/79) he tabled last October, the Council decided in June 1979 to extend the list of fruit and vegetables to which production aid could be granted under the regulation on processed fruit and vegetables.

The only types of processed fruit for which aid has been granted are prunes, peaches in syrup, Williams pears and cherries preserved in syrup.

In the case of the latter two products, a limit has been set on the amount for which aid can be granted. The Commission does not intend to propose extending the aid system to other products.

*Question No 14 by Mrs Pruvot (H-84/80)*

Subject: Transportation of pollutants by sea

Can the Commission state what rules have been laid down by the European Community to deal effectively with pollution resulting from the transportation of certain substances by sea in the event of a shipwreck and how the Member States apply these rules?

*Answer*

The Community has not so far adopted directives to deal with pollution resulting from the transportation of certain substances by sea in the event of a shipwreck.

The Commission reminds the honourable Member that after the *Amoco Cadiz* incident the Council adopted a resolution proposed by the Commission setting up an action programme for the control and reduction of pollution caused by the discharge of hydrocarbons at sea. Under this programme the Commission has had a certain number of studies carried out whose results are being studied by its departments.

As announced in the programme speech for 1980, the Commission will forward a communication on these problems with specific proposals to the Council during the second half of the year.

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*Question No 15, by Mr Hume (H-93/80)*

Subject: Farm development programme in Northern Ireland

To ask the Commission if they have proposals for a farm development programme in Northern Ireland.

*Answer*

In the context of its efforts to implement efficiently the structural policy for agriculture, the Commission has put forward proposals for farm development programmes in Western Ireland, Greenland and certain Italian regions, and the programmes for the two first-mentioned EC areas have first been adopted by the Council. The Commission intends continuing its investigations of similar structural problems in other parts of the Community, including Northern Ireland.

These investigations are now in progress.

*Question No 16, by Ms Quin (H-94/80)*

Subject: Disturbances in the markets for fish

Why has the Commission so far refused to take the measures urgently required, and provided for in Article 22 of Regulation 100/76, particularly in the United Kingdom, and resulting from considerably increased imports of fish from third countries at prices which do not reflect production costs; when does the Commission intend to take the necessary measures?

*Answer*

The Commission is keeping a careful watch on trends in the fish products market.

I fully realize that, especially at a time of rising energy prices, it is necessary to stabilize prices — and thus incomes — in the fisheries sector at a reasonable level.

We have considered what steps the Commission could take in the present situation but did not believe the time to have come for applying Article 22 of the basic regulation which, *inter alia*, allows imports to be stopped; nor indeed has any Member State suggested applying Article 22. The Commission has, however, come to the conclusion that suitable measures are needed to ensure that the Community

market is not disturbed by unusually low-priced imports; so having now received a favourable opinion from the Management Committee, we shall in the next few days raise the reference prices for frozen products by between 6 and 25 %. At the same time the Commission has proposed that the autonomous customs reductions effected every six months should not be continued after 1 July for a number of products, including fillets of cod, haddock and hake.

We believe that these measures will serve to stabilize the market and bring us back to a more normal progression of prices. We shall of course continue to observe market trends very carefully and take further measures if such should prove necessary.

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A list of the proposed increases in reference prices is attached.

*Fish proposals* (% increase in reference prices)

	Whole	Fillets
Cod/	20	8.5
Saithe	25	16
Haddock	25	16
Redfish	13	16
Mackerel	20	14
Hake	13	6

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*Question No 17 by Lord Douro (H-95/80): deferred*

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*Question No 18, by Mr Newton-Dunn (H-97/80/rev.)*

Subject: Plant Health Inspection

Does the Commission consider that the number of plant health inspectors employed currently by each of the nine Member States is sufficient in all States?

*Answer*

The Commission is at this stage not aware of the number of plant health inspectors employed currently by each of the nine Member States under the national plant protection systems.

However, since 1 May 1980, the Community plant protection system laid down in Directive 77/93/EEC, amended under Directives 80/392/EEC and 80/393/EEC is being implemented in the Member States.

In order to meet all the requirements set up under this system, the Member States may need to reorganize the structure of their plant protection organizations in an appropriate way. In particular, plant health inspectors which have been encharged to inspect plants or plants products introduced from other Member States may be used more and more for other inspections, in particular those on products imported from third countries and those necessary for issuing the plant health certificates.

The Commission will watch the development in the Member States and, where necessary, prepare appropriate proposals.



*Question No 19, by Mrs Kellett-Bowman (H-99/80)*

Subject: Exploitation of Community building workers by unscrupulous employment agencies

Will the Commission take steps to prevent the exploitation of Community building workers by unscrupulous employment agencies, who attract them from one Community country to another and then fail to provide them with employment?

*Answer*

In accordance with the Council resolution of 18 December 1979 on adjustments to working time, the Commission is at present preparing guidelines for Community measures on the different forms of temporary work (temporary work, fixed-term contracts, temporary subcontracting and occasional free loans of personnel between undertakings).

The Commission assures the honourable Member that consideration is given to the case of temporary transfrontier workers in these measures, particularly in respect of the abuses and illegalities which might result and which must be curbed.

The Standing Committee on Employment will shortly receive a communication from the Commission on this matter.

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*Question No 20 by Mrs Squarcialupi (H-100/80)*

Subject: Cooperation with the Council of Europe and the Pompidou Group on drug abuse

Amongst the requests made by Parliament on the subject of a commitment on the part of the Commission of the European Communities in the fight against the spread of drug addiction and heroin addiction in particular, is also that for close cooperation with the Council of Europe and with the Pompidou Group. As a first step and expression of genuine political will in the face of one of the scourges of our age, does not the Commission intend to be present in the meantime as observer at meetings of the Council of Europe's Committee of experts on the problem of drug addiction, in which the Pompidou Group is also due to take part in the very near future?

*Answer*

1. The Commission fully shares the honourable Member's concern. It attends meetings of the Council of Europe and the Pompidou Group on the fight against drug addiction as an observer with the aim of possibly making its conclusions enforceable and binding.<sup>1</sup>

2. The Commission welcomes the resolution on the fight against drug abuse adopted by Parliament at the March 1980 part-session and considers that a logical follow-up to the requests made in the resolution would be:

- (i) to consider, with the Directors-General of Public Health in the Member States, the priority action that could be taken in the field of public health,
- (ii) to seek the advice of members of the CREST medical research committee with a view to possibly devising a Community research programme,
- (iii) to bring up the problem as a whole at the next meeting of the Ministers of Public Health of the Member States.

3. On 12 February 1980 I presented the Commission's view that the drug problem has a variety of complex health, social and public order aspects; to be valid, Community action in the fight against drug abuse has to take account of those complex aspects; but, in view of such problems as social and medical assistance, prevention and the fight against the illegal trade in drugs, the Commission cannot take action unless it has sufficient funds at its disposal.

<sup>1</sup> As regards the work of the Pompidou Group, see the remarks I made during the sitting of 14 February 1980 (Debates of the EP, p. 239).

*Question No 21 by Mr Boyes (H-101/80): deferred*

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*Question No 22 by Mr Jalon (H-106/80)*

Subject: Production of electricity from sugar-cane

What measures has the Commission taken to promote the production of bio-gas from sugar-cane, for local use in power stations in particular?

*Answer*

Within the framework of its research programmes the Commission has looked into various processes involving the use of agricultural by-products for the production of energy. This research has not yet dealt in detail, however, with the feasibility of producing bio-gas from sugar-cane. The Commission has also set up a programme of aids designed to promote demonstration projects on the use of solar energy.<sup>1</sup>

Projects for the production of bio-gas from sugar-cane are in principle eligible for aid under this heading, but the Commission received no applications of this kind in response to its first invitation to tender. The projects selected by the Commission, however, do include certain specific applications of processes which might be applicable to sugar-cane.

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*Question No 23, by Mr Harris (H-110/80)*

Subject: Inspection of industrial projects sponsored by the European Regional Development Fund

The Parliament's Regional Policy Committee and the Committee on Budgetary Control have both strongly criticized the refusal by one Member State to allow Commission officials to inspect industrial projects for which it has received grants under the European Regional Development Fund. Is France now allowing inspection on the same basis as applies in other Member States or is it still applying a full or a partial prohibition?

*Answer*

The Commission has indeed encountered some difficulties in one Member State concerning the inspections made *in loco* in the industrial undertakings which have received a grant from the European Regional Development Fund.

Although some progress has been made, the situation is still unsatisfactory. The Commission is concerned at this state of affairs and is giving careful consideration to all the possibilities open to it in its search for a final solution to the problem under the provisions of Rule 724/75 of the European Regional Development Fund of 18 March 1975.

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*Question No 24 by Mr Deleau (H-113/80)*

Subject: Repercussions on EEC-US trade in steel of the anti-dumping action brought against the Community by US Steel.

<sup>1</sup> Regulation 1302/78 of 12 June 1978.

Has the Commission noted any repercussions on EEC-US trade in steel since the introduction of an anti-dumping action against the EEC by US Steel?

*Answer*

It is still too early to say whether the complaints and the initial investigations have affected the level of Community exports to the United States.

It should be noted that no measures have been taken that currently have a direct impact on US imports of steel from the Community and that this applies to the whole preliminary phase of the inquiry which will end in August 1980 at the earliest.

*Question No 25 by Mr Ansquer (H-115/80)*

Subject: Review of the procedures followed in the matter of agreements and dominant positions

What is the Commission's view of the position taken by the Community industrialists who consider that the procedures followed to date in the matter of agreements and dominant positions should be reviewed?

*Answer*

In a memorandum to the Commission, the Union of Industries of the European Community criticizes certain Community procedures as regards competition. In the Commission's view, some of the general comments are overly dramatic, difficult to understand and unrealistic, and do not seem to take sufficient account of the obvious fact these very procedures guarantee the necessary balance between the Community's general interest in applying competition rules correctly and the special interests of undertakings, including those that have infringed the rules.

As I told Parliament in March, the Commission feels that the procedures laid down in the 1962 Council regulation are, on the whole, both fair and balanced. I do not therefore share the general position of UNICE which seems to call for a revision of the existing institutional provisions and substantial amendments to Council Regulation No 17 which I have just mentioned.

The Commission will however continue to try to improve the practical application of the procedures wherever it is possible, desirable or necessary. It will of course take account of the position adopted by the Court on the procedures referred to in the cases currently before it, and will also consider the suggestions made by various interested circles when deciding whether there are areas in which the administrative procedure followed so far should be improved.

*Question No 26 by Mr De Goede (H-117/80)*

Subject: The Commission participation in various debates of the Parliament

Does the Commission realize that disappointment and resentment are often caused in the European Parliament by the way in which the Commission participates in various debates; this was recently the case during consideration of the Damseaux report, when Commissioner Vouel took little or no notice of members' observations and questions, and the Rey report on institutional problems in the Community, when the Commission saw no reason to make a final statement at the end of the debate? Will the Commission promise to try to do better in future?

*Answer*

The Commission is not aware that any of its members have shown a lack of respect to the Parliament when speaking or participating in any of its debates. The Commission is represented throughout all the debates and systematically replies to all matters raised by Members of Parliament in order to meet their requests for information.

Given the rigorous time limits which are being imposed on an increasing number of debates, it is clearly impossible for Commissioners to give a specific reply to each of the many Members of Parliament who speak during a debate. The Commission does not, moreover, consider it either useful or appropriate to add to the length of a debate when, as was the case for the Rey report, it has nothing to add to its initial statements.

The Commission considers that even though only a limited time was available to it in the discussion on the Damseaux report, it gave clear and detailed answers to the important questions put by speakers. Mr Vouel also replied, even if he was compelled to be succinct, to other points which fell outside the field of competition. On this matter, I should like to ask the honourable Member to consult the report of proceedings for 11 March (page 59).

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*Question No 27, by Mr Davern (H-123/80)*

Subject: Stage-by-stage development

Will the Commission explain why it does not favour the notion of stage-by-stage development for farmers wishing to modernize their farms?

*Answer*

The Commission believes that modernization of agriculture in disadvantaged areas of the Community can be achieved more effectively by implementing specific development programmes concentrated on removing obstacles to the development of agriculture there than by going in for gradual development as such. The latter principle could in appropriate cases be applied to a greater or lesser extent in all regions of the Community, irrespective of their present stage of development. In such circumstances there would be little or no reduction in the disparities in agricultural incomes as between the various regions.

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*Question No 28, by Mr Seligman (H-124/80)*

Subject: Communications satellites between the Community and the Lomé Convention States

Does the Commission consider that conventional communications satellites could play a valuable role in the near future in relaying telephone, telex, data, radio and television communications between Member States of the Community and partner States of the Lomé Convention?

*Answer*

Yes. In the document entitled: 'European society faced with the challenge of new information techniques: a Community response' (COM(79) 650 final), which has been forwarded to the European Parliament, the Commission proposes in particular that promotional measures should be taken in this field by including a Black African telecommunications payload on the first flight of the L-SAT satellite.

The use of space technology in telecommunications between the Member States and the countries signatory to the Lomé Convention would allow:

- improvements in the quality and reliability of transmissions
- the setting up of systems better able to cope with increased international telecommunications
- the accession of the ACP partners to European data banks and information networks
- the development of telecommunications between and within the ACP countries, especially for the benefit of rural communities.

The ACP countries are, moreover, very well aware of the advantages offered by the use of satellites. This explains the increasing demand from these countries for this technology.

*Question No 29 by Mr Hutton (H-125/80): deferred*

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*Question No 30 by Mr Nyborg (H-126/80)*

Subject: Future transport policy

Has the Commission contemplated changing its priorities in the field of transport policy and, if so, in what way?

*Answer*

The Commission does not intend to change the broad lines of the common transport policy as described in its October 1973 communication.<sup>1</sup>

The guidelines proposed in the communication were in general favourably received, not only by the Council but also in the European Parliament's resolution<sup>2</sup> and the opinion of the Economic and Social Committee.<sup>3</sup> These guidelines have formed the basis of the successive annual programmes contained in the annual supplementary memorandum to the programme presented to the European Parliament and the programme of priority activities proposed to the Council for the period 1977-1980.<sup>4</sup> The 1980-83 programme which the Commission intends to submit to the Council during the first half of this year will be based on the same guidelines, and will respond to the resolution adopted by the European Parliament on 16 January 1979.<sup>5</sup>

Of the wide range of activities that may be necessary in the transport field, the Commission's programme proposals concentrate on those that seem both urgently required and practicable in the light of its own and the Council's material resources.

The opinions proposed by the Commission have always been discussed in depth by the European Parliament and by its Committee on Transport in particular.

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*Question No 31, by Mr Kavanagh (H-127/80)*

Subject: Extension of areas within the Community designated as disadvantaged areas

Is the Commission considering the extension of the list of disadvantaged areas in the Community, and has it received any applications from the Irish Government for the inclusion of counties Longford, Offaly, Meath and Wicklow?

*Answer*

The Commission does not at the moment envisage proposing any appreciable extension of the list of disadvantaged areas in the Community. The Irish Government has requested a few minor extensions to the Irish list and this request is being considered by the Commission's services. The Commission has not received any applications from the Irish Government for the inclusion of counties Longford, Offaly or Meath in the current list of disadvantaged areas, which does on the other hand already include the larger part of Wicklow county.

I should like to add that all regions in Ireland — including those mentioned by the honourable Member — are eligible for assistance from the European Regional Fund.

<sup>1</sup> Supplement 16/73 to the Bulletin of the European Communities

<sup>2</sup> OJ No C 127/24 of 18. 10. 74

<sup>3</sup> OJ No C 286/1 of 15. 12. 75

<sup>4</sup> COM(77) 596 final, 24. 11. 77

<sup>5</sup> OJ No C 39/16 of 12. 2. 79

*Question No 32 by Mr Colla (H-132/80): deferred*

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*Question No 33 by Mrs Lizin (H-133/80)*

Subject: Anti-dumping complaints by US Steel

How does the Commission assess the present and foreseeable consequences of these complaints for the production figures of the various Belgian iron and steel undertakings?

*Answer*

It will be possible to determine the situation of Community, and in particular Belgian, iron and steel undertakings once the outcome of the complaints mentioned by the honourable Member is known, but it is difficult to do so for the time being.

It should be noted that no measures have been taken that currently have a direct impact on US imports of steel from the Community as a result of the proceedings in question, and that this applies to the whole preliminary phase of the inquiry which will end in August 1980 at the earliest.

The attached table shows how the main categories of products exported to the United States by Belgian and Luxembourg iron and steel undertakings, expressed as a percentage of their production, could be affected by the proceedings in question.

Importance of the United States market<sup>1</sup>  
to the Community (including Belgium and Luxembourg)  
iron and steel industry

	7 ECSC countries	Belgium	Belgium & Luxembourg	7 ECSC countries	Belgium	Belgium & Luxembourg
	I. All standard steels				II. Beams	
1977	7.5	10.6	9.7	10.1	17.2	15.2
1978	5.8	7.2	6.4	6.2	11.3	9.1
1979	4.9	5.3	5.5	8.9	15.7	16.1
	III. Hot-rolled coils				IV. Sheets	
1977	17.4	6.2	6.2	11.6	13.3	12.8
1978	15.3	3.7	3.7	6.7	3.1	2.9
1979	12.3	0.4	0.4	6.7	2.8	2.5

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*Question No 34, by Mr Adam (H-135/80)*

Subject: Representation on the consumer consultative committee

Bearing in mind that the Commission has recently proposed changes in the allocation of seats on the Consumers Consultative Committee; will the Commission explain why it has not taken the opportunity to give equal numbers to the organizations represented?

*Answer*

The Commission has taken no decision on changing the statute of the Consumers Consultative Council. The attention of the honourable Member is drawn to the fact that the Consumers Consultative Council is an internal consultative body of the Commission. It is therefore the Commission which decides on the membership of this Committee, after consulting the organizations concerned.

<sup>1</sup> As % of deliveries to all markets.

*Question No 35, by Mr Provan (H-137/80)*

Subject: New grant to investigation of the effects of air-conditioning

Will the Commission make a new grant available to a university or research department to investigate the effects of air-conditioning on people and will the Commission accept that this would be best undertaken by one organization, properly funded on a European scale, rather than having many and varying efforts which could not be so penetrating? Will the Commission also accept that this should be undertaken with all urgency as part of an energy conservation programme?

*Answer*

The problem raised in the first part of the honourable Member's question certainly merits close attention.

It is true that scientists writing on the possible effects of air-conditioning on people at work have spoken of smarting of the eyes, dryness of the mucous membranes, increasing fatigue, a predisposition to infections of the respiratory system and a general feeling of discomfort.

It is not, however, possible to pinpoint these effects precisely enough to be able to establish a clear relationship between work in an air-conditioned environment and damage to health.

There are many additional factors which might prove relevant, but they are complex and little is known about them. There is no clear-cut scientific evidence to show that air-conditioning gives rise to a specific set of complaints.

Present research does not give priority to this problem over other matters concerning pollution and the environment. However, the Commission is keeping a watch on studies into this particular aspect of the influence of working conditions of this kind on health, but has no plans at present to fund research in this field unless sufficient scientific evidence is forthcoming to justify such research.

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*Question No 36 by Mrs Viehoff (H-143/80): deferred*

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*Question No 37 by Mr Bonaccini (H-145/80)*

Subject Po Valley oil pipeline fracture

What urgent technical and financial measures does the Commission intend to take to help the Italian local and national authorities to cope with the dire consequences of the pollution caused by a fracture in the Po Valley oil pipeline belonging to the Continental Oil Company, given that this is simply the latest of a long series of similar incidents in the Community Member States, calling for great sacrifices by local authorities and given the inaccuracy of available information?

*Answer*

The budget appropriations under Chapter 59 are solely reserved for natural disasters. The fracture of the Po Valley oil pipeline does not therefore come under this heading.

The Commission moreover points out that after the *Amoco Cadiz* incident the Council, on a proposal from the Commission, adopted a resolution on an action programme for the control and reduction of pollution from hydrocarbons. In implementation of this programme, the Commission intends forwarding to the Council a communication accompanied by specific proposals with all due speed.

*Question No 38, by Mr Purvis (H-151/80)*

Subject: Varroa Jacobsonii parasite

Does the Commission realize that only Britain, France and southern Italy are free from the ravages of the Varroa Jacobsonii parasite on their bee stocks? What steps is it taking to ensure it spreads no further and is, if possible, eradicated from the Community?

*Answer*

According to the information at the Commission's disposal almost all the Member States are free from the disease caused by the Varroa Jacobsoni parasite, with the exception of one region in West Germany. The situation regarding control and prevention of this disease differs from one Member State to another.

So far there is no Community health regulation on this disease or on other diseases which affect bees.

The Commission intends to consider steps which the Community could take to combat this disease, while respecting the priorities already established with the Council for measures in the veterinary field.

These priorities do not include measures to combat the disease caused by the Varroa Jacobsoni parasite.

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*Question No 39 by Mr Spinelli (H-152/80)*

Subject: Application in Italy of the First Directive on Company Law

With reference to the answer to Oral Question H-401/79,<sup>1</sup> in which the Commission stated that it had requested further information from the Italian authorities concerning application of the First Directive on Company Law and given that it should not take too long a time to gather such information, can the Commission state whether it has now obtained what it asked for, bearing in mind that it is possible to request and receive information rapidly by telephone?

*Answer*

The Commission has not yet received the information it requested from the Italian authorities.

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<sup>1</sup> Debates of the European Parliament, No 251, page 42



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IN THE CHAIR: MR JAQUET

President. — The sitting is open.

Vice-President

1. *Approval of the minutes*

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

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

**President**

Are there any comments?

The minutes of proceedings are approved.

This item will be entered on the agenda for Friday's sitting.

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**2. Membership of Parliament**

**President.** — By letter of 18 May 1980, Mr Nothomb has informed me of his resignation as a Member of the European Parliament.

Pursuant to Article 12, (2), 2nd subparagraph, of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, Parliament establishes that there is a vacancy and informs the Member State concerned.

**3. Decision on urgency**

**President.** — The next item is a decision on the urgency of three motions for resolutions.

We shall begin with the *motion for a resolution by Mr Provan and others (Doc. 1-155/80): Crisis in the fishing industry.*

I call Mr Provan.

**Mr Provan.** — The fishing industry, which we are concerned with in this urgent motion, is a very vital industry. At present, imports into the Community are 59 % up on last year. Operating costs in the industry have risen due mainly to oil, and the oil price has gone up by 70 %. Because of the imports prices have also slumped on the fish markets. Fishermen in the Community are finding it extremely difficult to operate economically. In fact many boats — as I am sure is well known in this House — are going out of the industry at present. Community fishermen can therefore no longer catch fish at economic production costs so that fish are being removed from the market and turned into fishmeal or else dumped at sea. It is this waste that I think is totally intolerable, because of the position of the fishermen. Conservation to protect our fish stocks is the great thing that we are all talking about, yet we are allowing this waste to go on. I think it is time that this House debated it as a matter of urgency, not only from the waste point of view but also from that of the future of the fishing industry of the Community.

**President.** — I put the request for urgent debate to the vote.

Urgent procedure is adopted.

**President.** — We shall now consider the *motion for a resolution by Mrs Chouraqui and others, on behalf of the Group of European Progressive Democrats (Doc. 1-170/80): Yugoslavia after Tito.*

I call Mrs Chouraqui.

**Mrs Chouraqui.** — (F) Mr President, ladies and gentlemen, our Group is tabling this motion for a resolution for reasons that are both economic and political. From the economic standpoint, we feel that the accession of Greece calls for a strengthening in the economic links between Yugoslavia and the European Economic Community which, bearing in mind the large number of immigrant workers from Yugoslavia now resident in our Community, will help us resolve a number of both economic and social problems.

From the political standpoint, I feel, ladies and gentlemen, that it would be reasonable and sensible for our Assembly to show its solidarity with Yugoslavia whose political past and the skill with which it has remained a non-aligned country deserve to be underlined in the present international crisis. For these different reasons the passing of our motion for a resolution would be a valuable step.

Lastly I would like to draw the attention of this House to the fact that, without wishing to anticipate how you will vote this morning on the question of urgency, I am requesting — should the urgent procedure be agreed — that the discussion of this question be combined with the debate on the Radoux report regarding the cooperation agreement between the EEC and Yugoslavia, scheduled for Wednesday 21 May, so that the debate on Yugoslavia is complete and not split into two parts — Wednesday and Friday.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, Mrs Chouraqui's last words prove that this procedure does not correspond with what we ought rationally to do. After all we have the Radoux report and in it there are the conclusions...

**President.** — It has not been distributed.

**Mr Bangemann.** — (D) ... Yes, my assumption was that this report would be available in time for the

**Bangemann**

debate and that seems to be the case. We do not yet have it on the table, but it is ready . . .

**President.** — It will be ready sometime during the day, I think.

**Mr Bangemann.** — (D) . . . and in that case we ought not to belittle the work of a committee and a rapporteur by adding on an *ad hoc* motion for a resolution. If we keep doing this, then there will be no need to produce any more reports, we can just table any *ad hoc* motions we like. I think that is wrong and therefore I am against urgency.

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

**Mr Scott-Hopkins.** — I only wish to intervene very briefly, Mr President. I do not disagree with what was said by the mover of the motion. I assume that, if we adopted urgent procedure, we could debate it on Wednesday together with the Radoux report. But that is where the problem lies. The Radoux report has not been circulated. I only hope that it will be made available by the administration in time. We are running out of time for the amendments and so on. It really is a little extraordinary that this report is not ready yet. I know it was passed by the committee quite some time ago. So can we have an assurance first of all that the Radoux report will be available and, secondly, that, if adopted, this particular motion for which urgent debate has been requested will be taken with the Radoux report and debated at the same time.

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

**Mr Arndt.** — (D) We in the Socialist Group are also against the urgent procedure because, whilst it is true that the President of the Yugoslav Republic has died we do not think that it is all that urgent, in view of the fact that a very thorough discussion has been held in the responsible committee on the situation in Yugoslavia, to take up a position on this matter immediately. This motion can easily be dealt with as a motion for a resolution during the debate on the Radoux report and not as a request for urgent debate. This we would not be against but specifically tabling a request for urgent debate at this time is tantamount to a further invitation to every group in this House to table requests for urgent debate on any subject that is in any way related. All groups are agreed on the principle that we should endeavour to keep the number of requests for urgent debate down. We are familiar with the difficulties in each of our own groups when we tell them: not so many requests for urgent debate please. I would therefore be grateful if the movers of the

motion could agree to put their request as a motion for a resolution to the Radoux report since this would save us having to vote on urgency. But if the movers of the motion consider it important that a vote be taken on urgency then the Socialist Group will have to vote against.

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

**Mrs Squarcialupi.** — (I) Mr President, I do not want to dwell on the subject of the urgency of the motion for a resolution that has been tabled. On the other hand I would like to know why this Parliament, yesterday, at the opening of this part-session, did not follow the tradition that has always been observed for Heads of State by honouring the memory of the President of the Yugoslav Republic, particularly since a delegation from the European Parliament was present at Marshal Tito's funeral.

**President.** — I call Mrs Cassanmagnago Cerretti to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

**Mrs Cassanmagnago Cerretti.** — (I) Mr President, I agree with the comments that have just been made with regard to the advisability of avoiding any increase in the number of urgent debates.

If this Parliament intends to be functional it cannot continue to wreck the agenda decided by the President's Bureau by adding on new items. In that way, instead of dealing with the problems we are particularly concerned with we shall waste our time dealing with an unending number of requests for urgent debates.

**President.** — I put the request for urgent debate to the vote.

The request for urgent procedure is rejected.

The motion for a resolution is therefore referred to the committee responsible.

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**President.** — We shall now consider the *motion for a resolution by Mr De Pasquale (Doc. 1-171/80): Revision of the regulation establishing the European Regional Development Fund.*

I call Mr De Pasquale.

**Mr De Pasquale.** — (I) Mr President, the Committee on Regional Policy unanimously decided to table this motion for a resolution and to request that the urgent procedure be applied. The reasons are obvious and there is no need to spell them out. Parliament has always felt that the present Regulation establishing the European Regional Development Fund is insufficient and inadequate.

In view of the provision that the regulation has to be revised within one year, we have materially only six months to carry out and complete this procedure. In order to avoid delays or referrals for the new regulation — which would cause serious harm to the Regional Fund — the Committee on Regional Policy considered that this motion for a resolution needed to be tabled in order to require the Commission to formulate new proposals in good time. In this way, Parliament will be able to express its opinion, as laid down, within the year and the Council will be able to decide on the new regulation as it had promised during in the joint meetings of 1979.

These are problems of deadlines and Parliament's being punctual in its relations with the Commission and the Council. On behalf of the Committee on Regional Policy I therefore beg the Assembly to approve this request for urgent debate.

**President.** — I call Mrs Cassanmagnago Cerretti to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

**Mrs Cassanmagnago Cerretti.** — (I) Mr President, I do not want to go back on what I have just said but I think that it is right to discuss this subject at this time of crisis in the Institutions. Indeed, I feel that Parliament should reassume its true role and for this reason I agree with the purpose of this motion for a resolution.

**President.** — I call Mr Johnson.

**Mr Johnson.** — In spite of Mrs Cassanmagnago's second speech I was most impressed by what she said a moment ago and I am sorry that she thought fit to reverse herself so quickly. The argument she advanced before, that is, that it is quite ludicrous for the Parliament to establish an agenda and then see the whole agenda bumped out of the way because we have voted urgent motions, applies to this motion just as much as to the last. I am therefore against it and all similar motions.

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

**Mr Griffiths.** — Mr President, I would like to give our strong support to this motion because otherwise, as is pointed out in the resolution, the whole problem of regional policy in the Community will be allowed to slide, and another year will go by before we tackle some really fundamental problems in the regional field which, if the Community is to have any credibility at all, must be tackled as soon as possible. So we in the Socialist Group want to give our strongest support to urgency for this resolution.

**President.** — I put the request for urgent debate to the vote.

Urgent procedure is adopted.

This item will be entered on the agenda for Friday's sitting.

#### 4. *Amendment of Rules of Procedure* (Presentation)

**President.** — The next item is the presentation of the report by Mr Luster (Doc. 1-148/80), on behalf of the Committee on the Rules of Procedure and Petitions, containing proposed amendments to the Rules of Procedure of the European Parliament.

I would remind the House that the debate will be held in June and that the rapporteur alone may speak today.

I call Mr Chambeiron to speak on a point of order.

**Mr Chambeiron.** — (F) Mr President, yesterday I asked to speak under the procedural motion rule because I wanted to obtain some information from the President of the sitting regarding the rules allowing this presentation of a report to be entered in the agenda.

I must say that I did not receive the reply I wanted but I did, however, note that it was a question of a decision by the enlarged Bureau. I would not have objected if I had succeeded in my argument requesting that the final date for the tabling of amendments to the motion for a resolution contained in Mr Luster's report be postponed until next June.

I must also point out that these suggestions had been made by Mrs De March at the meeting of the enlarged Bureau:

Yesterday afternoon, however, it was clear that the majority in this Assembly was determined to be deaf to any appeal to common sense which does not, incidentally, surprise me all that much. I am therefore raising the question prior to the presentation of the Luster report — and for two reasons.

**Chambeiron**

The first is one of desirability. I do not see the need for listening to the rapporteur, nor the interest of so doing. I do not wish to minimize Mr Luster's work but we would all agree that the report is not a new bible for which we would need the services of an interpreter of the scriptures. It is a paper of modest dimensions and very easy to read.

But everyone will see, on reading it, that its purpose is to restrict Members' right of expression which to me, personally, is nothing short of scandalous and unlikely, incidentally, to help strengthen the already flimsy credibility of this Assembly.

Secondly, I do not see here any urgent aspect since we are also told that the debate cannot take place until next June. It would therefore seem both more logical and more coherent to hear the rapporteur and to have a debate immediately after his report. I do not deny that our Rules of Procedure need revision, although the method so far applied by the Committee on the Rules of Procedure and Petitions does not seem to me to be the right one. Mr Luster tells us that what he has in mind is the need to ensure that proceedings in this Assembly are carried on in conditions such that the agenda is not continually being revised, that there should not be any disorder and that everything should go forward as it ought.

To me this seems a request with whose principle everyone could give his agreement. It is a wish, indeed, that we can all share, provided Mr Luster and his friends set the right example. Unfortunately, up to now, we have observed that the majority in this Assembly have an unpleasant tendency to make us debate subjects which, most of the time, have not even been within the province of our Assembly and have merely cluttered up our agendas.

I do not think, in fact, that the Rules of Procedure are to blame but rather the political will of this House. If the majority wants to change the Rules simply to ensure that it alone controls the agenda and if it wants to impose on us those subjects for debate that suit it and in practical terms to blue-pencil every opinion that is not its own, then it should say so; only I cannot agree. I do not think there is a majority in this Assembly ready to accept that kind of Rules of Procedure. I therefore repeat that I see no interest in or necessity for this presentation that will not be followed by a debate and that is why I have asked for this item to be struck off the agenda.

**President.** — I put to the vote Mr Chambeiron's request that the report be referred back to committee.

This request is rejected.

I call Mr Luster.

**Mr Luster, rapporteur. (D)** — Mr Chambeiron deemed it right to open our discussion on this item with a comment, the correct translation of which in my language would be 'the majority has no sound common sense which, in any case, was not to be expected'. This betrays a deep-rooted mistrust of the basic principle of democracy. On that score I agree with Jean-Jacques Rousseau who said 'the sneer is the argument of those who are in the wrong'.

(Applause)

Ladies and gentlemen, Mr President, the enlarged Bureau invited the Committee on the Rules of Procedure and Petitions to see whether and to what extent the rules could be amended as regards certain crucial points in such a way as to speed up proceedings in Parliament. In order to be able to present its report as quickly as possible to the plenary Assembly, the Committee agreed to confine itself to the amendment of two of the rules on urgent procedure, namely Rule 14 and Rule 26 (3). The Committee held four meetings on this subject. I have to tell you that opinions on limiting consideration to these two points were not unanimous. In particular there was a very pressing request from Mr Galland in the Liberal Group who wished to amend other rules as well. As I have said, however, the majority wished to limit its recommendations to the amending of Rules 14 and 26.

The communication from the enlarged Bureau referred to the possibility of introducing a so-called register procedure to speed up decisions on whether a debate should be treated as urgent or not. The Committee took the view that a register procedure would not serve a useful purpose.

Mr Galland took a different view and so did Mr Patterson at that time, if I rightly remember, as had Mr Blaney, Mr Castellina, Mrs Macciocchi and Mr Coppieters at an earlier date. In document PE 60 185, Mrs Bonino had declared herself to be against any preference for urgent matters, in other words against a proposal of the kind now before you and an oral motion was put to the committee during its deliberations by Mr Pannella. All these motions were rejected.

So what amendments do we and your rapporteur propose to Rule 14?

Firstly, the decision as to whether a matter is to be treated as urgent shall in future be taken by Parliament, acting by a majority of those present, being not less than one third of its Members, in other words a number of at least 137. A different view was taken by Mr D'Angelosante and also Mrs Bonino who, on this score, asked for the proposed amendment to be deleted. This one-third of the elected Members that is to be necessary in future for deciding whether a matter is to be treated as urgent is, I would stress, a qualified majority and not a quorum. This comes out more clearly in the other languages than it does in German.

## Luster

The second proposed amendment to Rule 14 is that a request for urgent debate may, in future, be made by the President of the European Parliament as well as by 21 Members, the Council and the Commission as was previously the case. On this point, Mrs Bonino proposed a change reading 'a political group or 21 Members'. I do not have the privilege of seeing Mrs Bonino among my listeners, which I regret, because her cooperation is always very interesting.

This third proposed amendment is that not only must the request for urgent debate be submitted in writing but the supporting reasons must also be given in writing. A rule proposed by the rapporteur to the effect that urgency was to be defined as the sum of the need for speed and intrinsic importance was rejected in committee.

The fourth proposed amendment is to the effect that the vote on a request for urgent debate can be taken only after the relevant text has been distributed in all the official languages, which is really self-evident.

The fifth amendment is that the vote on a request for urgent debate shall be taken without debate. Here the controversy in committee was somewhat keener. Mrs Bonino spoke against such a rule and at first, if I rightly remember, Mr Patterson did so as well. On the other hand Mr Blaney, Mr Castellina, Mrs Macciocchi and Mr Coppieters, in other words Members of the Group called the Group for Technical Coordination, had spoken in favour of such a 'Vote on urgency without debate' rule very early on.

The sixth proposed amendment is that although a decision on a request for urgent debate should be taken in principle without debate, it should nevertheless be possible to hold a short debate if the request is contested by a statement in writing. In such event, one representative of the persons making the request and one representative of those opposed to it are allowed to speak for a maximum of three minutes.

The seventh proposed amendment is that if there are several requests for urgent debate on the same matter they can be dealt with in a single vote.

The eighth proposed amendment is that when a decision has to be taken on a request for urgent procedure there shall be no explanations of vote and no statements by the political groups. In a compromise, it was decided not to rule out the statement by the maker of the request as well, a suggestion made by the rapporteur who saw a danger of members, deprived of the right to explain their vote, misusing this possibility of the personal statement instead.

The ninth proposed amendment is that a vote by roll call on decisions on urgent debate may be taken only by means of the electronic voting system.

For clarification we have proposed that a decision on a subject declared to be urgent must be taken in the

part-session in which the request for urgent debate is tabled.

The eleventh proposal is that the House should consider whether we should not add to paragraph 1 of the proposed Rule 14 that Rule 12 section 2 paragraph 2 and Rules 46 and 47 remain unaffected because otherwise confusion might arise.

Those are the amendments proposed to Rule 14. Now I pass on to those which your rapporteur proposes for Rule 26 section 3.

The first proposal here is that explanations of vote are permitted after any votes on individual provisions of an item on the agenda (not all items on the agenda are voted on in this way, in many cases the matter as a whole is put to the vote). But where such individual votes are possible and where, therefore, documents of some length are presumably being dealt with, the political groups may each make a final statement of three minutes after the individual votes and before the final vote. Here, Mr D'Angelosante and Mrs Bonino proposed that the word 'final statement' be deleted.

The second amendment proposed is that, after the vote, individual Members may give explanations of vote for one and a half minutes. Mr D'Angelosante proposed that such explanation of vote should be given before the final vote and last one minute but that such an explanation of vote should be conditional on the speaker being in conflict with his own group. I myself had considerable sympathy with this proposal of Mr D'Angelosante who is unfortunately not listening just at the point when I wanted to say something pleasant to him. Mrs Bonino said she was against this rule.

The third proposal is that such a statement by an individual Member should be conditional on a request to give an explanation of vote being placed on the President's table before the final vote begins.

The fourth proposal is that the sole purpose of explanations of vote — this is a definition that we have included in the text — shall be to avoid any misunderstanding of the voting behaviour of a Member. Mr D'Angelosante and Mrs Bonino proposed that this passage be deleted.

Fifthly it is proposed that the President may, having regard to the state of business of Parliament and notwithstanding the possibility of making oral individual explanations as I have just described, require that they shall be given in writing instead of orally. Here there were vigorous protests from Mr d'Angelosante and Mrs Bonino. Mrs Bonino was in fact prepared to give the President some rights along these lines but only if no chairman of a political group objected.

Finally, written explanations of vote — according to our proposal — should not exceed 150 words. Mrs

**Luster**

Bonino proposed that the original proposal of the rapporteur, which was 300 words, be amended to 1 000 words...

*(Interruptions)*

... I would point out to the House that this rule alone, ladies and gentlemen — 300 or 1 000 words, 301, 302, 303 or whatever — gives anyone who wants to misuse it the possibility of tabling proposed amendments in undreamt-of numbers.

The seventh amendment is that written explanations of vote may also be handed in by any Members so requesting and submitting their statements within 24 hours after the vote.

The eighth proposal is that explanations of vote should not be admissible in the case of votes on procedural motions. Mrs Bonino unsuccessfully asked for this to be deleted and Mr Patterson suggested a clearer wording.

The ninth point is that as a result of the proposals on Rule 26, section 3, two paragraphs would need to be deleted from Rule 21 a.

In general I have to tell you that Mrs Bonino informed the committee that she was not in agreement with anything that we have proposed. I have also to tell you that there was a comprehensive and sizeable proposal by Mr Sieglerschmidt which did not come to the vote because it was invalidated by the other votes. There was also a comprehensive proposal by Mr Patterson and Mr Ellis which was incorporated in an altered form. Mr Van Minnen made a proposal, that was in part rejected but largely incorporated, to the effect that explanations of vote should be allowed before the vote and should be lengthened from one to one and a half minutes but that written explanations should not exceed 150 words. The changes proposed to Rule 26 section 3 are mostly based on changes proposed by Mr Nord and altogether represent — and here I would bring my remarks to a close, Mr President and ladies and gentlemen — an attempt to reconcile the freedom of Members of Parliament to table motions and to speak with the requirement for the necessary self-limitation that is essential for Parliament's work to proceed smoothly.

Allow me, Mr President, to say for the benefit of the world at large, whose eyes are now upon us, that, to my mind, it is not the object of this Parliament and it was not that of the enlarged Bureau, when it referred this matter to the Committee on the Rules of Procedure, to restrict the freedom of opinion of anyone here. Instead, given that the day has 24 hours and a week 7 days and that we have a limited amount of time available, our purpose has been to find a way in which freedom and constraint may be balanced out. Yesterday I read in a press statement from the Technical Coordination Group — which in my view is no

group because we have political but not technical groups — that a group was being gagged in this House. But I would like to tell public opinion that if you look at our agenda you will see that a group like the one to which I belong and which consists of 107 Members has a total speaking time of 55 minutes whereas the group that yesterday issued this statement consists of 10 Members and has 10 minutes of speaking time. I agree that 10 minutes are less than 55 minutes but in relative terms the 10 Members have twice the speaking time. Mr President, we should not allow the impression to develop that this Parliament wants to muzzle anyone.

**President.** — I would remind you once again that the debate will be held in June.

I call Mr Coppieters to speak on a point of order.

**Mr Coppieters.** — (NL) Mr President, in the light of everything we have heard today and yesterday and in view of the major importance of this report on amendments to the Rules of Procedure, I wish to call on you, Mr President, and on the rapporteur to see whether it is not possible to return to the normal order of things and, after agreement with the Bureau if necessary, consider whether we could not take the amendments, as would be normal, during debating time in this part-session and not, as is now wrongly the case, with no discussion possible. Mr President, I feel that it might be possible to consider this question again without undermining the authority of the chair of the Bureau.

**President.** — Mr Coppieters, you already made this request yesterday and it was rejected. Amendments may be tabled up to 1 p.m. on Friday. This was the decision taken, and there can be no going back on that.

5. *Deadline for tabling amendments to the Radoux report (Doc. 1-165/80)*

**President.** — I call Mrs Bonino.

**Mrs Bonino.** — (I) Mr President, my procedural motion concerns the Radoux report (Doc. 1-165/80) which appears on today's agenda.

Under Rule 13 of the Rules of Procedure, a report may be debated only if it is distributed at least 24 hours beforehand. As I understand it, the Radoux report has not yet been issued and, with reference to what Mr Scott-Hopkins said, I would not like it to be debated at the Friday sitting.



**Bonino**

This is necessary both to avoid changing a decision regarding the agenda and because the Italian Members, as you know, are prevented from attending for air transport reasons.

I would therefore ask you, Mr President, to ensure that this report is not put on Friday's agenda. If it cannot be debated at tomorrow's sitting, I request that it be put on the agenda for Thursday at the latest or otherwise that arrangements be made to postpone its consideration to the next part-session.

I would make the point that usually the course of our work is disrupted by the requests for urgent debate tabled by the majority groups and not, as is claimed, by the behaviour of the Members in the Group on Technical Coordination.

**President.** — The Radoux report will be distributed in all the official languages before mid-day today. The delay has been caused by the fact that the Council consulted Parliament only on 6 May on the agreement itself and on 14 May on the additional protocols. The enlarged Bureau felt that this report was urgent, a fact stressed by the Council when it consulted Parliament, since the additional protocols must come into force on 1 June.

In view of this delay the deadline for tabling amendments could be extended to 1 p.m. on Wednesday.

Are there any objections?

That is agreed.

**6. Sheepmeat**

**President.** — The next item is the second report by Mr Provan (Doc. 1-73/80), on behalf of the Committee on Agriculture, on sheepmeat.

I call Mr Provan.

**Mr Provan, rapporteur.** — Mr President, in Scotland where I come from, sheep are a very important agricultural product. They are as important as wine in France, olive oil and vegetables in Italy or milk in Bavaria. In this report I have tried to put the case for the whole Community. In certain countries of the Community, of course, sheep are not such an important agricultural product, but in drawing up this report it has been very interesting to see the differences within the Community in regard to sheep production. Italy, for instance, is very dependent on the production of milk from sheep, in France we have emphasis on lamb as well as wool, while in Britain sheep are very definitely for human consumption.

In the Committee on Agriculture, Mr President, we have taken a certain amount of time in preparing this report and bringing it before Parliament. The original motion for a resolution which was put before this House on 26 October seems quite a long way back, but I have deliberately not rushed it because of the antagonism that appeared to develop between certain member nations on this very question of sheepmeat. I believe quite strongly that when there is antagonism on a hot issue, rational decisions cannot be come to. I think now is the time when Parliament must consider this question and come up with some answers, because we have, of course, the legal implications.

On 25 September the Court of Justice issued its findings and said that a member nation was in breach of the law. Now it is unfortunate that this matter has not yet been resolved. Let us leave it at that. However, Parliament must deliver a ruling that supports the law of the Community. If Parliament is not seen to be on the side of the law the foundations of the Community are in jeopardy. The Committee on Agriculture, when it was considering this, felt that the future cohesion of the Community was at stake if we did not do something about it.

But there is another legal implication arising from the Charmasson judgment of 10 December 1974. That stated that national market organizations must be maintained only until the end of a transitional period, in other words 31 December 1977. We must remember also, of course, that part of the Treaty of Rome states quite categorically that no producer shall be left any worse off due to Community measures than he was before any change. So when talking about a sheepmeat regime we must remember that the producer must not be left any worse off.

The Committee on Agriculture has taken all these matters into consideration in the second part of this report, which talks about a sheepmeat regime. We emphasize the importance of sheepmeat production, especially in the less-favoured areas. The explanatory statement that goes with this motion for a resolution shows that it is predominantly in the less-favoured areas that sheepmeat is produced. Part of the tragedy of sheep production is that it takes place in these areas that may not have the facilities that other areas of agricultural production do have. They are further away from the market centres and have climatic and terrain problems to deal with. Therefore in considering these measures that we suggest, we have laid emphasis on this aspect of sheep being produced in the less-favoured areas. We have also considered the applicant countries and their accession to the Community. We do not think this will bring about any massive change. The *status quo* will be maintained by and large, with variations from member nation to member nation, which is mentioned in the report also.

The main point of the report is to stress the importance of agreement being reached in the immediate

**Provan**

future on a market organization. We realize that there are differences between the member nations at present, and of course we are talking specifically about the United Kingdom and France. The Committee on Agriculture decided that the French Government be authorized to grant temporary financial aids and also that ceilings on exports within the Community be agreed on by the Member States concerned on the basis of a timetable to be worked out. That, I think, recognizes that no producer should suffer. The difference, however, arises when we talk further on in the report about a full intervention system being adopted as well, because I feel the two are inconsistent. You cannot have limits on inter-Community trade and have intervention at the same time. So I suggest to Parliament that while the Committee on Agriculture voted to draw up the report in this way, there is a slight inconsistency here within the report that I hope Parliament will see its way to rectify, either by removing the ceilings on exports or doing something about the weight of the régime. On that very aspect, Mr President, I must point out that it was a very close decision in the Committee on Agriculture. When it voted for the intervention system, the full weight intervention system, there was a vote of 10 in favour of the original text of the report and 11 for the amendment asking for a full weight intervention scheme.

Now, of course, solutions will be found. I would suggest that instead of the French having to finance temporary aid to their producers, this might be done by the Community, and I would suggest also that we perhaps have to find a middle way between full intervention and a lighter-weight régime. I gather that some amendments will be coming before the House to that effect, and it is only when we can see the full text of the amendments that we may, in fact, get the proper solution. However, the Committee on Agriculture decided very definitely that the producer was not to be affected by any decisions on a sheep régime and that no producer should be worse off.

There are many other aspects to the report, Mr President, and I think we will have a useful debate on them today. There are many suggestions about granting aids to producers within the Community to improve their production, because we must remember that we are only approximately two-thirds self-sufficient in sheepmeat within the Community and that one-third is imported. I think that is important. It doesn't all come from one source, but, of course, New Zealand provides the bulk of it and we have long-term trading arrangements with New Zealand. But there are many other places. It is interesting to note that France imports a large number of live sheep, 8 % of which come from Eastern bloc countries. This is something that many people within the Community are unaware of. Today, when we have certain problems, this may not perhaps be acceptable to some Members.

However, Mr President, I see that the minutes are ticking away and I now have pleasure in laying the

report of the Committee on Agriculture before Parliament.

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

**Mr Gautier.** — (D) Mr President, ladies and gentlemen, on behalf of the Socialist Group I would first like to thank Mr Provan for his report, large parts of which we support. We are particularly gratified at the detailed description he has given of regional problems, the difficulties regarding imports into the Community and — a point which also seems particularly important to us — the problems, or possible problems, of the accession of Greece, Portugal and Spain.

For the Socialist Group too the upholding of European legal provisions is a matter of basic concern. European law and the execution of judgments of the Court of Justice cannot simply be left to the discretion of a Member State and this, in our view, includes France. The same applies to other problems which may arise in connection, say, with budget questions. There have, for instance, been reports that certain European funds might be withheld. For us, the law is the fundamental consideration in this question.

We know that we must set up a common market organization for sheepmeat. This is precisely one of the points demonstrated by Mr Provan in his speech quoting a wide variety of Court of Justice findings in support. As a Socialist Group, what are our criteria for a new market organization? I believe we have to continue along the lines of our own logic. Our starting point on agricultural questions in the newly-elected Parliament was indeed a budget-oriented stance, shared by this Parliament last December, namely that expenditure on agricultural policy must not be allowed to go so high that Community money runs out. That is the first point that we must hold on to. The second is as we made clear in the special debate on agriculture, that the system of surplus production with an unlimited guarantee of sales at guaranteed prices cannot, in the long run, continue to be common agricultural policy because it benefits neither the consumer nor, in the long term, the producer and cannot, ultimately, be accepted by us for budgetary reasons. So when we discuss sheepmeat market organization, we have to start from the following principles: firstly, we have to sustain producers' incomes because we also know that sheepmeat production is concentrated precisely in the less-favoured areas where it is intrinsically difficult to find other ways of making a living.

Secondly, user prices must be designed to ensure that sheepmeat is still eaten, in other words that people can afford to buy lamb and mutton. In his report, Mr Provan very clearly described the problem of British eating habits and their dependence on prices. I find the tables very impressive.

**Gautier**

Thirdly, we also have to safeguard importing possibilities for third countries in cases where these countries depend for their existence on agricultural imports into the Community. Our conclusion from this is that, as a matter of principle and also for budgetary reasons, we have to say no to a full-scale intervention system as set out in the Provan report in its present version. For the moment this cannot, in our view, be the criterion for a market organization in the sheepmeat sector.

As a Socialist Group, therefore, we propose that we return to the principle of the first version of the Provan report to the effect that the market organization should be based on premiums and private storage, since we believe that this system would make it possible both to support producers' incomes and to provide stronger assistance for regional, disadvantaged areas. A full-scale intervention system would, in our view, ultimately lead to similar problems to those in other fields of agricultural production and would also mean that sheepmeat would be produced in areas where we really do not want it for Community policy reasons and where it would perhaps only be produced in order to collect the money that goes with it.

The other parts of Mr Provan's report and of his motion for a resolution have our full and complete support. In particular we welcome the proposal that the agreements with third countries should be renegotiated in terms of import quotas based on the internal Community market and that a restricted policy should not be applied in this respect. We tabled, as a Group, the relevant proposed amendments yesterday and it is our feeling that parts of the other Groups will share our views on such a market organization.

**President.** — I call Mr Clinton to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

**Mr Clinton.** — Mr President, I am glad to be able to speak on this topic at this time. As the House will be aware, a proposal for a regulation of the market in lamb is now before the Council of Ministers and it is important in my view that a decision on this subject be arrived at with all possible speed. I want to emphasize that this in many ways is an important matter; important to some of the poorest people in the Community. It is a matter that has caused unnecessary and undesirable disruption between Member States. A matter over which there have been court proceedings and, unfortunately, a matter which could have been settled long ago, at very little cost to the Community.

This has already been referred to by the rapporteur, Mr Provan, whom I wish to congratulate on the way he has presented his report and on the very fair way that he has explained that the Committee on Agriculture went to considerable pains before arriving at the report before the House this morning.

It is important that the problem of the lamb market be solved in a way that can help the future development of this Community and that of the sector most affected. I feel that all of us in this Parliament have an obligation to promote harmony between Member States and to solve problems in such a way that disputes and disagreements are settled, in such a way as to remove quickly causes of friction and tensions that inevitably lead to disruption and unnecessary ill-feeling between Members.

In the report before us today I feel that the main problems of establishing a common organization of the market in sheepmeat are dealt with fairly. On this I must congratulate the rapporteur, Mr Provan. I know he may not be 100 % happy with the report as adopted by the Committee on Agriculture but it remains from any point of view a report on which many in this Parliament could be modelled. It is short, clear and precise. It covers the problems thoroughly and it contains a great deal of useful information.

One of the most useful pieces of information is contained in Part II of the explanatory statement, namely, that sheep rearing is concentrated in areas of poor soil and difficult weather conditions. I would ask the Members of this Parliament to bear this very much in mind. In fact, two-thirds of the sheep in the Community are found in the less-favoured areas and this, I think, in itself, makes a case for the sort of support that we are recommending here. Therefore I am particularly glad that paragraph 7 calls for full support of the sheepmeat market and makes available the kind of intervention provided for in the beef and cattle arrangements. I do not think any of us should wish for less. I see no reason why sheep-producers should be required to have less protection for their livelihood than others, and there are far more prosperous livestock producers. It is important that the decision of the Parliament's committee to look for full support be adopted, and I therefore ask you to reject any amendments which seek to weaken this report.

The Community is only 64 % self-sufficient in sheepmeat and there is great room for expansion, but this cannot be accomplished unless producers have confidence in the stability of the market. Insecurity due to the opening and shutting of the French market has led to a reduction in sheepmeat production in the United Kingdom and in Ireland, at a time, incidentally, when milk production has risen sharply. The other seven Member States who had a stable regime have been able to increase production. I want to say that I have certain reservations about paragraph 6. The authorizing of temporary national aids paid for by a national government is a dangerous precedent which, in my opinion, should not be allowed. I think that Mr Provan, the rapporteur, has, in fact, changed his mind about this and agrees with this view. Equally, the limitation of exports between Member States strikes at the very root of the principles on which this Community is

## Clinton

based. If it is found necessary to have temporary financial aids they should, in my view, be Community aids.

I am also a little bit unhappy about paragraph 10. I am not trying to stop all imports from third countries, nor am I saying that the United Kingdom has no right whatsoever to import any sheepmeat. But any increase in third-country imports must be closely monitored. I do not feel that the rapporteur is strict enough in this area, because he seems to be recommending additional imports where substitute forms of meat are already in surplus in the Community.

Before I conclude, the points I want to emphasize are these: the farmers we are trying to provide security and reasonable support for are among the poorest in the Community. I would want all the Members of Parliament to note this. The security we are seeking can be provided at very little cost to the Community. There is a substantial deficit in sheepmeat. The problems and embarrassment of sheepmeat have been with us for far too long, and this is a serious reflection on the competence of the institutions of the Community.

Need I say that this is something that should have been settled long ago by the institutions, by the Council of Ministers, by the Parliament, and should never have been brought to the level of a Summit for decision. I feel that we are now nearer than ever to a settlement and that all that is needed for success is a little bit of goodwill, trust and cooperation between France and the United Kingdom.

I would like to say to Mr Provan that this is not merely a matter between France and the United Kingdom; it is a matter of serious importance to Ireland as well and, indeed, other Member States have their own interests. We should not give the impression that it is only a matter of concern to these two countries.

I appeal to all sides in this Parliament to accept the recommendations in this report as they now stand, because they have been the subject of long deliberation in the committee responsible. If this is done, I am very confident that an early settlement can be arrived at and that it will assist the Council of Ministers in getting agreement.

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

**Mr Curry.** — Mr President, this is a debate which has been riddled with misunderstandings, fired by irrational fears and emotions and disfigured by the overtones of a virility contest between France and the United Kingdom. I hope to speak with calm and reflection and I shall not — I hope my French colleagues in particular will note — be speaking at all about the whole legal question in the context of which this must be settled.

I said that it is a subject which has caused great misunderstanding and perhaps some of these have been wilful misunderstandings. There is, for example, the belief, which I have found in sections of the French community, that there is a flotilla of New Zealand ships waiting off the coast in order to assault the beaches with frozen lamb. There is the impression that the United Kingdom is dedicated to an insidious policy of destroying prices in order to wipe out of existence a whole section of the French peasantry. That is not true, Mr President.

The facts concerning New Zealand are these. New Zealand lamb is sent mainly during the period from January to July, when British lamb is in short supply. This is a vital function to sustain consumer interest in lamb, which accounts for 15 % of our meat consumption in the United Kingdom, and any marketing person will say that the maintenance of a market depends upon the ability to provide a product throughout the year to that market. Nonetheless, there has been a sharp decline in New Zealand shipments from more than 290 000 tonnes in 1970 to little over 200 000 tonnes last year.

Secondly, New Zealand is not in a position to flood the market. For one thing, the maintenance of a price for the New Zealand farmer is essential: the EEC import levy alone is equivalent to 45 % of his return, and therefore his interest in cutting prices is zero. Besides this, the country has reached its maximum stocking rates and structurally is not in a position to load the market in addition. The country is also developing new markets: Iran agreed to take 45 000 tonnes last season, and last year, for example, more than a third of New Zealand lamb was sold outside the United Kingdom, against less than 10 % a decade earlier.

What we must emphasize, however, is that the Community needs New Zealand supplies. To maintain consumption alone, the import need is 260 000 tonnes a year, and my friend Mr Provan has already mentioned that France imports up to a quarter of a million live sheep a year from Eastern Europe, which, it must be said, is a slightly bizarre interpretation of Community preference.

New Zealand has given categorical assurances that it will maintain orderly marketing designed to respect price-levels. So let us dismiss this myth that the Continent is going to be flooded with New Zealand meat or with British meat, the British settling down to eat nothing but New Zealand lamb in order to liberate theirs for this new invasion.

So what sort of *régime* do we need? We need one which responds to three necessities.

First of all, it must stimulate consumption and permit the European producer to share in an expanding

## Curry

market, and this can only be done if prices allow lamb to remain within the reach of a wide range of consumers.

Secondly, it must permit free and fair trade inside Europe, recognizing the need to preserve the livelihood of producers in both the importing and the exporting countries. To this purpose, you will find an amendment in my name which spells out quite specifically a recommendation for a Community-financed system of payments to French producers over a five-year period of transition to allow them to accommodate themselves to the conditions of trade in Europe.

The third need is for the conservation of the role of the traditional exporter, whose supplies play a vital part in sustaining the market.

But what we don't want, Mr President, is a system which causes surpluses by permitting lamb to be taken off a market which is in scarcity! Nothing can do the image of this Community more damage than the sight of yet another product in which we are only two-thirds self-sufficient being carted off the table and into the cold store and a market destroyed by the refusal to accept that production must have some regard to the market and that the guarantee to the farmer must be the guarantee of the consumers to eat his product, not the guarantee of a cold store waiting to receive it.

*(Applause from the European Conservative Group)*

Therefore we are opposed to intervention because we are not self-sufficient in lamb and hence intervention is inappropriate. It doesn't exist for pork; it doesn't exist for poultrymeat; and where it does exist for beef, in which the Community is not self-sufficient, there are 330 000 tonnes in surplus.

Secondly, if France is afraid that her market is going to be flooded by British lamb, the one sure way to guarantee that is a heavyweight régime of intervention, because every carcass in Europe will set off for France to take advantage of the rates applying in that country for lamb taken into intervention.

We have, Mr President, a remarkable opportunity — at last an opportunity! — in the agricultural policy to take a step forward by introducing a system which observes the law of the market and yet takes full account of the real and legitimate fears and needs of the producer. It is with this in mind that I have spelt out our proposals in the form of an amendment: aids for private storage; a Community-financed system of aid to producers and in particular a five-year period for French producers to accommodate themselves to the new conditions of the market; a firm understanding for orderly marketing, both inside the Community and with suppliers outside it; and genuine but responsible trade within the Community.

This is an open and generous proposal. We are not bashing away at legal problems, we are seeking a genuine response to what we see as a real social and political problem. It is not an attack on the integrity of the French producer; it is not an assault on a hard-working section of the community in France, as if we were indifferent to their needs and their situations: we are seeking an agreement which can restore some dignity to the tattered relations between Britain and France, which present such a sad spectacle to the world in a time when we must more than ever hang together if we are not going to hang apart.

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

**Mr Pranchère.** — *(F)* Mr President, ladies and gentlemen, I observe, once again, that this Assembly remains at a comfortable distance from the realities of the agricultural world. In the light of what is going on throughout France — I am talking about the struggles — Mr Provan's report, designed to sustain and approve the proposed Community regulation on sheepmeat, is as irrelevant as it is unacceptable because it leaves the core of the problem — that of the unbinding of customs duties on lamb and mutton imports from third countries — unresolved.

How can you propose in this way, without the slightest scruple, the eventual ruin of 150 000 French sheep farmers? These farmers have the right to live and to live decently and this is why this proposal for a regulation is an unworthy and scandalous affair.

What is happening in our country?

Hundreds of thousands — and I mean hundreds of thousands — of farming people are vigorously demonstrating their discontent and their refusal to be victims. There is a determination and life in these struggles and demonstrations that clearly reflect the determination of French farming people to defend their land, their labour and their country. They are fighting to preserve their income, to obtain at long last worthwhile prices and to safeguard their jobs — and there is something else as well. They are fighting for workers, teachers, railway workers and all those who find today that the fine promises of the Treaty of Rome on the prosperity and development of agriculture and each country's economy as a whole are well and truly forgotten and disowned.

So, you British Conservative Members, you who prefer to faithfully protect the interests of the seven British multinationals monopolizing 80 % of the world trade in sheepmeat, allow me to tell you that your demands are illegal both as regards sheepmeat and the budget.

**Pranchère**

I agree, you can pride yourselves on having made Mr Giscard d'Estaing weaken at the last meeting of the Council of Ministers but there is no glory in winning where there was no risk of losing. Mr Giscard d'Estaing has never done anything else but give in and this is why farmers' incomes have already gone down six years running.

If the Commission's regulation on sheepmeat has not yet been approved it is due to one thing only — the force of the rural people's struggle and their determination to say no. No to Mrs Thatcher and no to Mr Giscard d'Estaing.

We, the French Communists and Allies, are proud of this and all the more fiercely in that we are taking an active part in all these struggles.

What the sheep rearers in France are asking for is something simple, logical and justified. They want the fruits of their labour to be paid for at a decent rate, in other words in relation to their production costs and not in relation to the cost of the New Zealand sheepmeat imported by the UK, because sheepmeat in New Zealand is simply a by-product of wool. What is needed, therefore, is real market support.

At the same time, therefore, they demand that their production be protected by respect for the principle of Community preference and that imports from third countries and New Zealand in particular be made dutiable. This would require the unbinding of customs duties, at present set at 20 % by the GATT agreements.

Perhaps I may be allowed a parenthesis at this point.

The farmers are asking for the unbinding of customs duties. But who in France accepted, in 1974, to have them set at a level which French sheep farmers cannot accept?

The answer is Mr Chirac himself, who became Prime Minister in that same year and accepted both the UK's accession to the Common Market and confirmation of these 20 % duties being made binding. The facts are that on 19 July 1974 the Secretary-General of the GATT in Geneva noted the results of these negotiations which were to enter into force on 1 January 1975. Next, who in this Assembly opposed the final GATT agreements in the framework of the Tokyo Round? Answer: the Communist and Allies Group and they alone.

Quite clearly, neither the Socialist Members nor those in Mr Chirac's Group thought it right to oppose these agreements in order to safeguard the interests of our crop and animal farmers.

A lot is said about rules of law in this Assembly; let those who demand their application begin by respecting the principles to which they refer!

The claims of the sheep rearers are legitimate. We repeat them in our amendment and we shall oppose, therefore, any expedient, any solution whose purpose would be to rob French stockfarmers of their rights.

The systems of premiums or self-limitation on imports currently proposed do nothing to satisfy these claims and we therefore refuse them.

Are we, yes or no, going to accept that 150 000 sheep farmers be allowed to gain a livelihood from their work — unless you would prefer to defend these seven multinationals I have already referred to and whose profits are stupendous compared with the low incomes that our sheep rearers have so much difficulty earning.

In 1977, the Borthwick company, for example, made a net profit of nearly F. 39 million (and I mean new francs), by importing 5 million carcasses from New Zealand and Argentina.

The same year, the Weddel company made a net profit of 38 million by importing about 3 million carcasses from New Zealand.

Sir Henry Plumb, chairman of the Committee on Agriculture, must be familiar with a third company — the Fatstock Marketing Corporation — of which he was the Chairman, I believe. This company imported nearly 2 500 000 carcasses from New Zealand and its net profits were in the neighbourhood of F. 19 million, again in 1977.

You have made your choice, gentlemen, and we leave you with it. We, Communists, have made ours. It is the farmers that we shall defend, those who want to live and work on the land. So let us get things clear. We are not here to accept and endorse regulations or compromises harming the legitimate interests of our sheep rearers or French farmers. And if the United Kingdom is not satisfied, if it does not like this wind of struggle now blowing over France, well let it leave the Community.

For our part, we shall do everything we can to make the French government and Mr Giscard d'Estaing take a stance compatible with the interests of French stockfarmers and all farmers in our country. With them, we are going to win this fight. We shall vote against the Provan report.

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

**Mrs Martin.** — (F) Mr President, the producers are concerned in their everyday lives by the positions we take on sheepmeat and the future of a number of less-favoured areas is in the balance. In our wish to safeguard the interests of sheep rearers we are defending

**Martin**

the basic principles of the common agricultural policy, all too often attacked in this Parliament.

Because of the interdependence of the two sectors, we are also defending beef and veal. This is why any regulation that would allow frozen and, more particularly, fresh sheepmeat to enter the EEC in the future — failing an agreement on self-limitation and if not subject to a variable levy — would create very serious competition for beef and veal and we know that the beef and veal market is already seriously disturbed by the various levy-free import quotas which, in the absence of organized market management, cause such massive and abnormal recourse to intervention.

For ten years now, producers have been demanding that the sheepmeat market be organized on the same basis as that for beef and veal, with particular reference to relations with third countries which would mean the unbinding of customs duties. As Mr Clinton has just said, this solution would be the most reasonable because the simplest and cheapest way of regulating a market where the supply is in deficit is to control the level of import prices.

Mr Provan's proposals in paragraph 7 of his motion for a resolution point in this direction. By adopting this paragraph, Parliament will be consistent and confirm its approval of the Herbert report on the common organization of the sheepmeat market on which it voted on 14 September 1978. Since then, negotiations have not gone forward one inch. I would simply recall — Mr Gundelach will remember — that Parliament had already at that time been highly critical with regard to the Commission's proposals, feeling that the future organization ought to be based on the basic principles of the common agricultural policy and enable a realistic price level to be defined that would take due account of production costs. Unfortunately these differ very greatly in the two main producing countries.

In the United Kingdom, sheepmeat is a mass consumption product based on grazing at minimum cost. The result is a seasonal deficit made up by big imports of frozen meat, from countries where meat is simply a by-product of wool, which has an effect on the level at which prices are fixed in the United Kingdom. The British Government then subsidizes its sheep farmers by deficiency payments.

New Zealand supplies 40 % (200 000 tonnes) of the United Kingdom's consumption at very low prices because, for that country, like Australia and Argentina, sheepmeat is purely a by-product producing only 55 % of New Zealand producers' income compared with 4 % for producers in France.

In France, on the other hand, the main concern is to supply the market throughout the year with meat satisfying the quality requirements of consumers, which necessarily implies higher production costs. The

French are fond of lamb raised on salt meadows, the traditional dish at Christmas and Easter. Roast lamb is a luxury reserved for special occasions because its price is particularly high in France. Small flocks averaging about 20 head are completely unable to compete with the extensive sheep farming in New Zealand or the United Kingdom.

This is why a Scottish sheep farmer is paid F. 11-12 a kilo compared with the F. 12-20 a French shepherd gets.

True enough sheepmeat production accounts for only 1.5 % of final agricultural production in the Community but the decisions we take will have political effects out of all proportion with that figure.

What is more, at a time when criticism of the surpluses in certain Community products like milk is so severe, how long are we going to go on undermining products of which we have a deficit, like lamb, in which the Community supplies only 60 % of its own needs. For how long are we going to encourage its growth in Australia and New Zealand when our own production is making zero growth because of the lack of future prospects. We cannot afford to disregard the fact that to develop sheepmeat production in the Community is to ensure the survival of hill farm enterprises and a large number of less-favoured areas.

In addition, lamb and sheep may in some regions offer an alternative to cattle and dairy farming and thus help in the conversion effort, which is why the future market organization should be backed up by structural measures designed to improve breeding stock, the uses of grazing land and farming facilities and also the marketing, processing and distribution of sheepmeat.

I agree with the rapporteur's point to the effect that imports from third countries will continue to find a vast market in the Community in the future, but these imports will have to be monitored very closely particularly in the substantially changed situation when Greece, Spain and Portugal join the Common Market.

The present situation, apart from the dispute between France and the United Kingdom, is in general satisfactory for Member States and third country suppliers. In these circumstances, it would be a pity if, for doctrinal considerations, we were to rush into a policy that broke down the equilibrium that now exists and resulted in the jettisoning of our sheepmeat production resources.

To conclude, I shall make a plea for the lamb war not to take place. The situation needs to be defused. In my opinion, Mr Provan's report will help to do that and we should vote for it as it stands.

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

**Mr Lalor.** — Mr President and colleagues, let me say that the Committee of Agriculture and the rapporteur, Mr Provan, have had an extremely difficult task. Sheep policy is part of the overall agricultural policy in the much-needed and long-awaited interests of some of the least favoured of our farming community. Yet it would appear at this point in time to have very little significance at both Commission and Council levels. As I see it, farmers' interests are being sacrificed as a result of long-drawn-out legal jousting, and the very notions of Community preference and financial solidarity are being lost to some of the parties most concerned and are being replaced by the notion of compromise at all costs.

Mr Provan's report makes reference to the ending of national market organizations as set out in the Char-masson judgement of 10 December 1974, but omits to mention that in the same judgement provision was made for both the Commission and the Council to propose and implement a common agricultural policy in sheep and sheepmeat, capable of replacing effectively national market organizations. It is therefore highly regrettable that more than five years have been wasted, only to arrive at the present state of affairs. Whereas we strongly support the urgent need to establish a common market organization for sheep and sheepmeat, I would like to underline that we would only give our total support to a policy which scrupulously and simultaneously supports the three inseparable principles of the common agricultural policy, namely market unity, Community preference and financial solidarity. In the event of interim arrangements being necessary it is our strong conviction that all producers who might be disadvantaged by market disruption arising from free trade should be compensated, that is to say, Irish as well as French producers should qualify.

In the latest Commission proposal for a CAP on sheep, there is the question of compensatory premiums. The object of the proposed system of premiums is to compensate producers for any loss of income arising from the operation of a common organization of the market. The Commission and all Member States, with the exception of the UK, agree that the premiums should be Community-financed. Reference prices would be fixed for individual Member States or groups of Member States. The premium payable in a particular State would be the difference between the market price in that State, following the introduction of the common market organization, and the predetermined reference price for the State.

Ireland would not accept the contention on page 12, paragraph (d), of the explanatory statement of Mr Provan's report that the British market has a direct influence on price levels on the Irish market. For years Irish market prices have been well ahead of the UK, and on 1 January 1978 our principal export markets were France and Belgium, with Germany also becoming extremely important. For this reason we argue that

the Irish reference price should be the same as that for the Benelux countries, Germany and Denmark, where market prices last year were similar to ours.

To say that there will be continued scope for imports of sheep and sheepmeat from third countries because the Community is currently only two-thirds self-sufficient in sheepmeat is to imply that there is no further scope for increased production at Community level. What, may I ask then, is the purpose of a common agricultural policy? Every effort should be made to make up the deficit in Europe by using every Community means presently at the disposal of the farming community or by developing new methods if and where necessary. Let us not forget that while Community production is stagnating, third country production is on the increase, notably in New Zealand and Australia. I particularly mention these two countries as they are the major third countries that we associate with the lamb trade.

However, let us not forget, and we have been reminded of this, that these are not the only third country producers. South America and Eastern Europe are both important potential supply sources and could therefore contribute further to complicating the present situation even more. There again, how can you impose self-restraint on these same third countries? This is nothing more than wishful thinking on the part of the Commission. A strictly defined quota system and a deconsolidation with GATT are the only realistic measures which will effectively safeguard the interests of the European sheep farming community.

I would like to remind this Assembly that the sheep file is of vital interest to a substantial part of the Community farming sector, particularly in the most unfavoured and underdeveloped regions. For this reason I would like to underline with insistence that it is essential that the Commission propose and that the Council set up a common agricultural policy for sheep and sheepmeat in the shortest possible time. Temporary arrangements are intolerable, and under no circumstances should ulterior motives on the part of some of our partners be allowed to mask this very urgent necessity.

**President.** — I call Mrs Cresson.

**Mrs Cresson.** — (F) Mr President, ladies and gentlemen, Mr Provan has just presented the report on sheepmeat written by him and approved by the Committee on Agriculture. This is a problem on which the Council of Ministers has not yet come to an agreement and remember too, gentlemen, that it is also a problem on which depends the survival of many farming people particularly in those areas in the South of Europe which we often discuss in this House and say we must help. At a time when we are trying to move farmers away from milk production it would seem



## Cresson

important to find a solution to the problems of sheepmeat in which Europe has a big deficit. I would add, that this problem, wrongly called the 'lamb war' as a rallying cry, is one of those that could, for no reason, spark off a quarrel — always easier to start than a real compromise — between our countries. The beginnings of a compromise have been arrived at by our Committee on Agriculture which, you will agree, is made up of Members knowing the real facts about the problems and tackling them with skill and goodwill.

What is the issue? On the one hand there are the imports of sheepmeat from New Zealand and Australia where it is produced in conditions in no way comparable to conditions in Europe and where it is regarded as a by-product of wool. This has already been said. On the other there are the British sheep rearing enterprises, the structure of which is also greatly different from that of French, Italian, soon Greek and later Spanish producers. Some countries that call themselves poor have a rich agriculture and this applies to Great Britain, and others are regarded as richer but have certain agricultural sectors that are still very poor — the case of France. To my mind, however, there is no conflict or else the problem in our Community has been wrongly stated. What is wanted is to find a way, in the spirit of the Community, to approximate production conditions and therefore prices by methods that cost as little as possible and do not do thousands of farmers out of a job. This is needed for a type of production — I would repeat — in which we have a big deficit.

Reference has been made to premiums. Allow me to tell you that premiums financed by the EAGGF for an indefinite period would be far more costly than an intervention system modelled on that which is working satisfactorily for beef and veal, another type of production where we are in deficit although to a lesser extent. We should beware of embarking on a system of aided sheepmeat production, the cost of which would increase with the accession of the countries in the South of Europe.

In reality, the problem is to approximate costs and to approximate production conditions throughout the Community. For this, temporary financial assistance is necessary but also a plan for adapting production in the regions concerned. During this transitional period, we need to have a system of specific compensatory amounts equal to the difference in basic prices in intra-Community trade in sheepmeat. Mr Provan is right when he says that the Member States have to fix a ceiling on exports within the Community, coupled with a calendar. But the problem is outside the Community as well and, as you well know, caused by the special links that the United Kingdom has with New Zealand. An agreement ought reasonably to include renegotiation of the agreements with New Zealand and the unbinding of duties under GATT. As a Community we must find a solution that is regardful of our institutions. The extremist positions on either

side are not shared by the French Socialists. Of course — as Mr Provan has so excellently said — sheep rearers, among the poorest in agriculture, must not suffer as regards their income. But to support the income of these producers, ladies and gentlemen, and also — contrary to what Mr Gautier said — to offer satisfactory prices to consumers, we must definitely not embark on a policy of indefinite premium-based assistance. It is a short-term solution, not a policy. Some of you are worried about excessive cost. Ladies and gentlemen, it is a decision of this type that would launch us into indefinite and non-productive expenditure. Temporary aid is necessary but coupled with a plan for approximating production conditions for a commodity that is in deficit and which needs to be not limited but increased by proposing it as an alternative to other types of production which are in surplus.

This is why the French Socialists, who do not share the tensed-up positions in which the facts get distorted, are in favour of the report of the Committee on Agriculture incorporating the realistic amendments with particular reference to the revision of duties under GATT. As Mr Curry said, it is not a legal but an economic and social problem. You know that the French Socialists are firmly attached to European unification, in other words to the principles of the Community and in particular to Community preference. If the decision of this House were a fresh attack on this principle, that has already been weakened by so many, we could not support the Provan report, but if it incorporates the amendments that we have tabled and which have as their object the development of high-quality production, and the maintenance of sheep farmers' incomes and the Community principles, then we shall vote for it. This Assembly must, however, be clear about the fact that an agreement calls for an effort on both sides. European unification will materialize only on that condition.

**President.** — I call Sir Fred Warner.

**Sir Fred Warner.** — Mr President, I tabled an amendment yesterday evening which is being distributed as Amendment No 11, and my reason for doing so is as follows. It seems to me absolutely essential that this House should send out an agreed message on the subject of sheepmeat. The matter has been in dispute for far too long. Our governments have been quite unable to reach a solution. The one thing which might help them to do so would be a clear strong resolution commanding the support of most of the people in this House. In order to do that some form of compromise is necessary. Mr Lalor says he does not like compromises. Well, I can tell him that whatever is eventually agreed for sheepmeat is going to be a compromise, so we have just got to accept the fact that a compromise is necessary, and I am not ashamed of putting one forward.

**Warner**

I feel that we are not yet close enough to agreement. Parliament is still sharply divided in its views. On the one hand there are those who really cannot accept a heavy system of intervention. Why can't they accept it? It has been very clearly stated by Mr Curry. We have such a *régime* for beef, and what is the result? 330 000 tonnes in surplus. Mr Commissioner, 330 000 tonnes of meat represents over 1 million cattle, a million carcasses. Does it satisfy Mrs Cresson that we have over a million animals hanging there with their hooves in the air? We really cannot do the same for sheep. Is that what we want to do with all these sheep which are being imported into France from Eastern Europe: have them ending up with their hooves in the air? We must stop the gradual extension throughout Europe of a chain of zoological morgues.

Moreover, we wish to make sure that we do not drive up the price of meat even further. It is not only the peasant who is concerned in this story. The worker, the person who eats the sheep and not only the one who raises it, is also concerned, and we wish to maintain a healthy and thriving market.

Against this, there are very genuine doubts on the part of many of my fellow Members as to whether the sort of moderate regime which has been proposed and which does not go to full intervention will provide sufficient protection for the farmer. Can matters really be left to the payment of premiums and to private storage? I believe that they can. I believe that a healthy, thriving and well remunerated sheep trade can be established on that basis.

But some reassurance must be given to those speakers today who have had doubts on this, and therefore in my amendment there is a final paragraph which suggests that where a system of premiums and private storage does not prove satisfactory, and where it can be demonstrated that the farmer is not being adequately recompensed, we should then have provision for the Commission to recommend further and stronger measures. What they recommend is up to them. They might recommend Community intervention. They might recommend Community storage, but let it not be thought that we in the European Democratic Group are necessarily totally opposed to this. Mr Lalor says that only the British refuse to contemplate the payment of some form of Community premiums. If he would take the trouble to read the text of the amendments, he would see that that is precisely what Mr Curry proposed on behalf of the European Democratic Group, and it is also covered in my own amendment. We believe that premiums, if they are paid, should be paid by the Community, and if these prove to be insufficient, under my amendment we would then be able to consider whatever the Commission might put forward as required in the form of supplementary measures. So I ask my colleagues, and I appeal to them, to look very carefully at what I have proposed and to see whether in a general way it does not cover the views of all quarters of this House, and

whether we could not, on the basis of some such wording, send out an agreed message which would help to concentrate the minds of our governments and enable them to reach agreement.

**President.** — I call Mrs Castle.

**Mrs Castle.** — Mr President, there are two major factors we should bear in mind when we are discussing this issue, which is really a very simple one.

The first factor is that the common agricultural policy is in crisis. Agricultural spending is going through the ceiling of the Community's own resources and absorbing all our ability to finance other Community policies. Yet we have in front of us a report recommending a whole new field of agricultural spending, and I can just visualize the debates we shall have in the years to come as this further incubus weighs down upon the shoulders of the development of the Community.

The second factor is that we are talking about a product which provides no problem of surpluses. As others have said, the Community is only 64 % self-sufficient in mutton and lamb. And so here we have a situation which leaves plenty of room for intra-Community trade and for the development of healthy relationships between the Community and trading partners outside, whose interests, if we have any sanity at all, we must bear in mind. And yet we have in front of us a report which actually seeks to reduce these trading links and to stimulate European production at high cost behind protective walls which might well ruin the economies of our good friends and colleagues such as New Zealand.

So I think the starting-point of our discussion ought to be this. If we are honest, there is no need for any sheepmeat scheme at all. We are merely artificially and unnecessarily creating a new problem for ourselves to face. The only reason why we are discussing the need for a sheepmeat scheme today is that France is breaking Community law by keeping British imports out.

Now I don't say that in any spirit of hostility at all; I am merely trying to establish the objective facts. I understand the anxieties of our French colleagues and the French government. They fear free trade, because the price of the French product is something like twice that coming from the United Kingdom and therefore they fear disaster for their own farmers. But every member of the Community has got a right to look after its national interests: it is absurd to pretend that any of us are here to do anything else but that.

I agree with Mr Curry that France's fears are exaggerated. I understand them, but I think she has allowed herself to get carried away unnecessarily. On the one hand, the price-gap is narrowing, and on the other

## Castle

France's lamb is a luxury product, a very high quality product which really goes to a rather different market than United Kingdom lamb. In Britain mutton and lamb are staple parts of a working-class diet, and I deeply resent and resist a report that says we should have policies that would contract working-class diets even more as a result of extending the Community agricultural policy. So I believe that there is really not such a problem here as France seems to fear.

I agree also with Mr Curry and with my good Socialist colleague Mr Gautier that a system of premium payments to support farmer's income is far better than this report's suggestion — mutilated in the Committee on Agriculture as it was — that we should go for an intervention system for lamb and mutton on the lines of that for beef. Have we learnt none of the lessons from the development of the common agricultural policy, which is now the biggest headache that we have to face?

I am little puzzled by Mr Curry's amendment where he talks about degressive premium payments, Community-financed but diminishing over five years. He said in his speech that at the end of five years France would have adjusted itself to the European market. In which direction: down or up? I suspect that what he means is that the meantime prices in the United Kingdom, for instance, will have risen to catch up with the French. Otherwise, at the end of the five years France will still have the problem of this income gap, so I do not think that his amendment completely meets the situation we have to deal with.

Moreover, as Mrs Cresson has pointed out, Community-financed premia, you know, are not going to be cheap, and I find it very odd that British Conservatives should at this moment be pressing for a Community-financed premium system which is going to make the problem of Britain's contribution to the European budget worse. Of course it is! Have not we all said that one of the problems about the UK contribution is not only that we are paying too much but that we are getting too little back? This premium system would be costly, it would put up the agricultural budget, and most of it would be paid for by Britain and drawn by France. That is not a solution I can advocate at this present time. The first thing this Parliament has got to face is that when they talk about the sacred principle of Community financing in the field of agriculture they have one simple principle in mind: Britain pays. That basic imbalance has got to be adjusted before I would vote for a single extra penny of Community-financed aid for agriculture. Indeed, I am worried when I see the British Prime Minister putting up a tough battle for a better deal for Britain and when I hear rumours that part of the price she would be prepared to pay would be increases in agricultural spending through higher farm prices and increases in agricultural spending through the acceptance of some kind of scheme for mutton and lamb, which would

only add to Britain's costs and to the share that Britain pays in financing these Community policies.

My compromise is this. I have an amendment down to delete paragraph 7 altogether. I do not want a scheme at all. I believe we should allow France to tide itself over this period by introducing a system of national aids. I was interested to see in the British press the other day that the French Prime Minister has been promising the French farmers that if Britain continues to block the farm prices increases he will meet them on a national basis. Jolly good, too! Good luck to him! It is his problem, it is his high cost: let him carry them.

I would even be prepared to go so far as to accept some ceiling on the movement of exports within the Community, where the blind application of the principle of free trade within the Community leads inevitably and inexorably, as it is doing in this case, to greater protection for goods from outside the Community. It is time we had another look at free trade, isn't it? It is a bit onesided, isn't it? Therefore: yes, I am for planning, I am for justice.

We talk about negotiating voluntary arrangements with New Zealand so that it does not flood the market: let us have voluntary arrangements among ourselves! We are good partners, are we not? Nobody should be out to ruin anybody else. I certainly am not. But I believe it is absolutely imperative, if this Community is to survive, that at last we go for an expansion of consumption for a change and that we get away from this producer-dominated bias, this rabid protectionism which is making it too costly for working people within the European Community to eat. I will resist with all my strength the introduction of any scheme which is going once again to hit at working-class diets in the country from which I come.

## IN THE CHAIR: MR MØLLER

### *Vice-President*

**President.** — I call Mr Kavanagh.

**Mr Kavanagh.** — Mr President, in 1973 when I first became a Member of the European Parliament the issue of sheepmeat production in the Community was considered a very unimportant one. In fact, the first time I introduced the subject, by way of a question, it was somehow regarded as a joke that it could be a great threat to the whole financial institution of the Community. Listening to speakers today, I realize how things have changed since those days. Indeed, when I first asked the question I was to plead with the Commission to set up a Community régime for sheepmeat, and on that occasion I was assured by Mr Lardinois, the Commissioner at the time, that it would be

**Kavanagh**

only a matter of months before this régime would be set up. Now, seven years later, we are possibly somewhat nearer, yet by no means certain that the régime will come into effect.

Now my concern has always been the people who are producing sheepmeat in this Community, and certainly my experience has been that in my country the poorest farmers, those working in the less well-off areas, are the sheep producers. Their ability to turn to some alternative means of production is very limited indeed, and therefore if any group of producers needed the protection of the Community, it was surely the Community's sheep farmers. I make no apologies at all for once again hoping that the Provan report in an amended form will be acceptable and that the vast majority of the Council of Ministers, who are now in a position to agree on a sheepmeat market, will win out and persuade the remaining Member to separate this issue from the debate on the British contribution to the budget.

I have very little hope of that at the present moment, because reading yesterday's *Guardian* I see that Lord Carrington emphasized in Naples that while he was anxious for a solution to the long-running budget row, Britain could not agree to the proposed arrangements for marketing of lamb and mutton in the EEC insisted on by France. This, he said, would create an expensive mountain in the Common Market and could ruin New Zealand as a big sheepmeat exporter. Now to argue that there could be a mountain in a Community when we are only 66 % self-sufficient is indeed looking a long way ahead. I believe that the position is that the mountain can be produced only at the expense of imports. That is the real fear for our British colleagues, a fear that one can understand. Nevertheless, I don't think one can say that a mountain in this area could be produced while at the same time exports from New Zealand were diminishing.

I believe that Mr Provan's report makes many useful points, especially in relation to the importance of sheepmeat in many areas, safeguarding the livelihood of producers, financial solidarity, an intervention system and trade with Third World countries. I believe this is a big advance on the previous position with regard to this report when it was first introduced.

There is, nevertheless, for me, one objectionable paragraph, and that is paragraph 6. I believe that there should be no question of temporary national financial aids. Apart from the fact that national aids are totally unacceptable, there have been enough negotiations in recent times for the Council to accept its responsibility for the establishment of a definite régime. Temporary arrangements only defer the problems and prolong the uncertainty. Secondly, there certainly should be no question of a ceiling on exports within the Community. The essence of a common organization is free trade within the Community. Protection for producers

should be through adequate mechanisms of price support and not through restraint on trade.

Notwithstanding my objections to the report, the many positive aspects in it I can accept. If my objections are met, then I would certainly support this report.

**President.** — I call Mr d'Ormesson.

**Mr d'Ormesson.** — (F) Mr President, I wish to congratulate Mr Provan on his excellent report and I shall, clearly, support it in its amended form. There are two comments I want to make in this debate. The first is addressed to Minister Clinton, my colleague and friend, who disagrees with the provision in paragraph 6 b, of the motion for a resolution which says: 'The Member States concerned shall fix a ceiling for exports inside the Community coupled with a pre-established calendar.' Now this is an amendment — do I need to remind you? — that I had tabled and which had been adopted with the agreement of the rapporteur by the Committee on Agriculture. Why? Because it is clear that we are coming to a stage in the life of the Community when the right to the free movement of goods and merchandise has to be limited by the right of the Member States to protect their producers' incomes. We are going to find this problem again and again in all types of agricultural production during the next few years because the Treaty of Rome is now 20 years old and because the state of insufficiency has now become a state of self-sufficiency. This is why I feel that the revision of the common agricultural market, that we shall be compelled to tackle during the next few years, or rather the next few months, will have to take into account this attitude which is discernible — and understandable — in all the governments of the Community.

My second comment is that Mr Clinton's amendment, taken on board by the committee and which the rapporteur was kind enough to insert in his text, proposing a system of intervention similar to that for beef and veal is perhaps a little rigid to the extent that, for the subsequent provisions, it would be better — in my view — to give the task of operating this intervention scheme to cooperatives or producer groups rather than governments.

**President.** — I call Mr de la Malène.

**Mr de la Malène.** — (F) Mr President, the European dispute on sheep and mutton is getting worse. How can we do else but deplore this when the present situation on the sheepmeat market itself is bad. Nothing was done at the last European Council and this year, with all sheep farming in difficulty, the producers of sheepmeat are very hard hit by soaring production

## de la Malène

costs. In these conditions, we cannot but deplore that the negotiation on the sheepmeat regulation should have entered into a legal phase which could well lead the two sides, in their search for a compromise, to forget the interests of the producers themselves. The Commission claims it has to ensure that the Treaties are complied with and it is on that the Court of Justice is appealed to in order to have France pilloried and made to introduce free movement of sheepmeat within the Community. Free intra-Community movement is indeed an essential rule of the Community; it is even one of the three principles on which all market organisations are based, but these three principles — free movement, Community preference and financial solidarity — are inseparable and have to be complied with all at the same time. Incidentally we do not appreciate the constant pressure by the Commission on France to apply just one of the principles of the Common Agricultural Policy. If Europe is today at stalemate, whose fault is it if not those who refused to propose at the appropriate time, firstly the adoption of the common frontier with regard to third countries and secondly a real common management of markets with the same price policy for all types of Community production? The common agricultural policy is a coherent whole and we cannot just pick certain of its principles at random. And yet, in the past, the Community institutions initiated logical and realistic regulations; these systems, which did not have the shortcomings of the sheepmeat regulation now proposed by the Commission, enabled often widely differing national policies gradually to come together. We should act as we did in the past. There can be no question of France opening its frontiers to sheepmeat, and particularly to British sheepmeat, for as long as there are no Community regulations providing protection in relation to third countries and a mechanism for maintaining income through intervention prices. Europe's food independence is at stake, for this is an important matter. We cannot allow the future sheepmeat regulation to be based on the British system because the meat produced in the United Kingdom has, in value terms, a purely marginal importance. The issue is to preserve European production, in other words French production in the main, and Irish production. Any alternative would make us dependent on a wasteful world market, subject to continuous instability and inescapably amplifying the repercussions of the intense speculation on the wool market. A real policy towards third countries means introducing levies on imports of sheepmeat, in other words the unbinding — as a priority — of the 20 % duty on sheepmeat. The trading value of these imports can be estimated, on the Commission's own figures, at \$ 300 million. The additional revenue for Europe would enable sheep rearing in hill farming areas or the Mediterranean zones to be assisted by means of specific aids as set out in the directive on farming in hilly areas and certain less-favoured zones.

Those, Mr President, are the thoughts that Mr Provan's report arouse in us. We would encourage the Council to adopt a genuine Community regulation on

sheepmeat as quickly as possible guaranteeing the incomes of French mutton and lamb producers once French frontiers have been opened to British sheepmeat.

**President.** — I call Mr Maher.

**Mr Maher.** — My time is very limited so I will confine myself to a few remarks. Mr President, there is an urgent need to get agreement on this; this whole sheep question has been having a very negative influence on the Community for a long time, so I hope I can help a little in that way.

I think it is important, Mr President, that we should remember that if the farmers in these difficult areas have any possibility at all in other types of production, it is in milk. It is the only way they could get any kind of reasonable income, and there has been a certain movement away from sheep production towards milk production. That is certainly not in the interests of the Community because we already have serious problems in the milk sector.

We should be trying to keep a better balance, and this is one of the reasons why we ought to have a policy which will give confidence to these sheep farmers to stay in this kind of production and prevent them from going into another area of production where there are already serious difficulties, if they are not to move out of agriculture altogether. That is a good reason for having stability and for that reason I would support the concept of a floor price.

The UK delegation, in particular, is advocating private storage as an alternative to a full intervention system. I wonder who is going to use the method of private storage with money costing 20 % or more in interest rates. Is this a logical and effective solution? I frankly do not think so.

Mr President, we have the means of ensuring that intervention, if it is applied, will not be overtaxed, namely, by ensuring that we do not overload the market with imports from other countries. That is the solution. We have it in our hands. The application of an intervention system will give confidence to these farmers. That is precisely what they have lacked up to now.

I would like to direct my remarks also to Mrs Castle. I am sorry to be harsh about this, Mrs Castle, but I think you ought to join some of the people on the back rows there who at least are honest and say they are anti-Common Market. Every time you speak you indicate that you are totally opposed to the European Community, you use the agricultural policy as a means of proving that the Community cannot work and today you have been advocating national measures which is, of course, a totally anti-Community

**Maher**

approach. If we begin to use national measures not only in agriculture but in other areas as well, then we can go back and do everything independently. If we begin to do that we can forget about the European Community. I think Mrs Castle is doing it a great disservice by saying that we ought to apply measures at national rather than Community level. I hope Mrs Castle will change her mind on that.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, first I should like to thank Mr Provan for the report he has drawn up on behalf of the Committee on Agriculture, for this is, of course, the Committee on Agriculture's report. Then I would like to thank the Parliament for this debate. The Commission recognizes that there are many valuable points in this report and in the motion for a resolution, although it has attracted rather a lot of amendments. I shall not comment on each of these amendments individually, but I think the Commission's position will be quite clear from the relatively short remarks I intend to make about the solution to this difficult problem, difficult from the political rather than the economic angle.

The debate today has shown that, on a number of points, there is a willingness in certain sections of this House to seek a compromise and that is very gratifying, and I quite agree with Sir Frederick Warner that a compromise has got to be found, because otherwise the Community cannot function and there cannot be any progress. And it is no use being dogmatic and refusing to talk about a compromise, because that will simply bring the Community's activity to a standstill to the detriment of the interests of those one claims to be defending. One is not defending them by refusing to negotiate and work out a solution which is a Community solution and has the support of a relatively large majority.

I think the contributions to the debate today which have shown appreciation of this fact have been very positive and welcome. Those that have sought to sow discord between two Member States or in the Community as a whole, I take a dim view of and I shall not waste Parliament's time by going into them. For instance, I hear Mr Pranchère's speech every single time we discuss agricultural matters. We only need change the name of the product, otherwise it is always the same speech. It would serve no useful purpose to reply to this in the present context, it is just demagogic talk. It is nonsense to talk of multinationals in connection with sheepmeat, and the same goes for all the other allegations we have to listen to time after time.

What sort of problem are we dealing with? The situation is that the treaties laid down, not for dogmatic

reasons but as an expression of sound economic sense, that there should be free movement of goods, including agricultural products, within the Community, and if we abandon this principle, ladies and gentlemen, we are abandoning the Community. You must understand this. Any attempts to erode this principle means the end of the Community. And the Commission will not accept a single amendment that goes one millimetre in that direction. There must be free movement of goods in the Community. That is one of the cornerstones of the European Community and we cannot allow national or other measures to undermine that principle, not because we are treating it as sacred dogma, but because it is in Europe's fundamental interests. This brings me to another point connected with trade which, to be honest, I have listened for in vain in this debate, as in so many other debates on agriculture.

It is as if it were assumed that the Community, in pursuing its agricultural policy, can completely disregard third countries. Is it not clear to the honourable Members by now that the Community is based on its ability to trade with itself and with other parts of the world? We are not in a position to shut ourselves off from the rest of the world, and produce everything we need and live in the fortress 'Europe'. Our existence depends on being able to trade and on trading with third countries and, that being the case, we cannot allow ourselves — as has happened in today's debate — to speak of our treaty obligations towards third countries as if they were so many pieces of paper we can simply tear up and throw away if it suits our pocket, in order to solve the problem we are discussing at the moment concerning sheepmeat.

You cannot go to New Zealand and the other countries with whom the Community has signed an agreement providing access to the Community's market on payment of a 20 % customs duty, and say: 'We are awfully sorry, but the agreement no longer stands'. Europe just cannot do that, for it is dependent on international trade, and I was shocked to hear what was said today about 'deconsolidation' with GATT. I think it regrettable that Mrs Cresson, who often brings us this idea, should not think it necessary to stay for the rest of the debate after saying she thought it so important.

We can negotiate with third countries on a basis of voluntary restraint for a solution to problems that might arise between us with this and other products. We know that these third countries, New Zealand, Uruguay, Argentina and others, are willing to work out a sensible solution with the Community regarding trade in sheepmeat to prevent the collapse of the market and other undesirable consequences, but this calls for an appropriate response from the Community, for example a reduction of the 20 % duty — which, after all, is quite a heavy duty — on imports from New Zealand. There have not been any special agreements between the United Kingdom and New

## Gundelach

Zealand. There has been an agreement between the Community and New Zealand.

Such agreements can be negotiated. The Council has unanimously agreed to give the Commission a mandate to begin negotiations to solve the external aspects of the sheepmeat problem in this way, and we are in the midst of such negotiations. This is how that aspect of the problem will be solved, and not by any unbinding of GATT, which is completely unrealistic, not least for a product of which we are net importers and of which, according to our calculations, we shall continue to be net importers and for good reasons.

It is the internal aspect that is the problem, not the external aspect, for the external trade will continue, as I say, and there is no point asking anything else. That is unrealistic and therefore a waste of time.

As for the internal aspect, I absolutely agree with speakers who have said: 'Of course, free trade is a keystone in the Community's development, and must not be tampered with, but the Treaty also says that in the agricultural sector there should be appropriate organizations of the market with Community financing.' That is right. Those are the three principles. Perhaps they are not exactly linked together in a legal sense, as some honourable Members suggest, but I do not need to go into that. Those are the three principles. Therefore, there must be a market organization. The Treaty does not specify the nature of that organization. That is what has to be worked out. But there must be one. Obviously, it must be adapted to the problems one is trying to solve. And what are those? They are problems affecting certain areas in Europe. And here I must say again to Mrs Cresson in her absence that it is a gross oversimplification of the facts to say that the poor sheepfarmers are in this or that region of France, and the rich sheepfarmers are in the United Kingdom. Go to Wales, go to Scotland and then go to certain areas of France, where sheep are bred on plains, and you will discover that there are rich sheepfarmers in France and poor sheepfarmers in the UK, rich sheepfarmers in the UK and poor sheepfarmers in France. If only we could be spared these over-simplifications, it would make our job of conducting realistic negotiations that much easier.

What we need is a system which observes the principle enshrined in the Treaty according to which, when introducing free trade, which as I have already stressed is essential, we must also take steps to safeguard incomes. And, Mr Pranchère, nobody in the Council or Parliament or the Commission has ever questioned the need to safeguard incomes especially of sheepfarmers, who work under difficult conditions. We are fully aware that they have no alternative or if there is one, it is, as Mr Maher pointed out, to go over to milk production and that we can certainly do without.

That is the system we must develop and therefore we have begun with the premiums, although we know they are rather costly. I am bound to agree with Mrs Castle that this is a difficult approach, because if it is not done properly, it can be very expensive. But the aim must be to use these premiums in such a way that they can be used not only to stimulate production, but to solve an obvious social problem that exists in various parts of Europe. And that being so, it has to be degressive to the extent that other means are used to solve the incomes problem, which patently exists not only in France, but also in other parts of the Community. It is not only a French problem.

But it has been pointed out that it is not enough to solve this incomes problem with the help of these aid measures and that — as the Commission has said too, just as I did a moment ago — this can be a pretty costly solution. If you look at all the other market organizations, and if you look at what the Treaty says about the common agricultural policy, you will see that there must be Community financing. I believe we cannot avoid this, without violating a very fundamental principle.

Therefore, in its deliberations in November and December and in its proposal before the Luxembourg meetings, the Commission considered how the financial burden entailed by the use of premiums might be offset by a number of market support measures. We arrived at this conclusion because we must have a compromise, and this is an attempt to reach a compromise that can operate without imposing too heavy a burden on the budget or acting as an artificial stimulus to production for intervention, which nobody wants. To argue that we should simply produce a bit more and put it into storage so that we can import a bit less is hardly likely to win favour with the electorate. We must find a compromise that will allow the market to operate reasonably well and allow us also to solve the incomes problem which clearly exists and must be solved, because there is no alternative.

So we must envisage supplementing this income support system that I have described and which was the starting point for the Commission's original proposal by various market measures. The first one that comes to mind is the payment of aid for private storage at difficult periods. Mr Maher says: 'We do not want that.' But I must tell him that we do. It is the main support measure employed in the pigmeat sector, one of the sectors where it has been possible to maintain the greatest stability in the Community's agricultural policy, with rising consumption and also therefore increased production because there is a demand for it and, whenever there have been difficulties in the market, up to now — I stress up to now — the use of aid, Community financed aid for private storage, has sufficed to correct the imbalance. I must therefore repeat that this is a useful way of solving the problems in the sheepmeat sector. Furthermore, it is possible to envisage going one step further and once again reliev-

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ing the otherwise expensive support system by having at least a limited form of intervention.

We are making this absolutely clear for the reason I have given, namely that the Commission cannot accept the idea of an intervention system such as that which exists in the beef sector, where we have already submitted proposals to make the system more flexible and less automatic, because this system for beef, as the honourable Members have pointed out, has landed us in the catastrophic position of having between three and four hundred thousand tons of beef in storage at a time when the world economic situation demands that it should be converted into food, while the stocks go on increasing each month. We cannot set up another system of that kind for sheepmeat. It is not only a burden on the budget but critically undermines the credibility of the common agricultural policy. It is not necessary to solve the incomes problem, which, let me say again, I am fully aware has to be solved.

It is possible to envisage a system involving the use of intervention buying at those times — especially in the autumn — when the risk of difficulties in the market and price difficulties is possibly greatest, but any such intervention would have to be restricted as to time, regions, quantities and circumstances.

To achieve the necessary compromise, the Commission has proposed an intervention system of this kind as part of the package the Council is trying to reach agreement on in the next few weeks. I know it is a difficult problem, but in the circumstances, I am absolutely in favour of a compromise solution of this kind and I am glad to see the proposals and amendments tabled by Members of this House who are opposed to intervention but who, like myself, recognize the need to find a way out of this situation which will be acceptable, not only from the political angle but also from the long-term economic and budgetary angle.

I shall conclude by saying that we are also moving onto new ground arranging talks with third countries, trying to adjust the price level in the Community, for what is the point of having a common organization of the market if we continue to have different prices in the different parts of the Community. The aim must be to get a uniform price level and that is also related to the free movement of goods, for how can you have free movement of goods if there are price differences? Therefore the system must also include price adjustment. Otherwise, we shall be putting the producers in certain parts of the Community at an unfair disadvantage and that is also unacceptable.

But this cannot be done overnight and therefore I believe we must try to find a solution for one period, say three years, get a new market organization set up, learn from the experiences from that, and, on the basis of these experiences, work out a more radical system, which on the one hand solves the problem of incomes and ensures that the livelihood of our existing sheep-

farmers is safeguarded, and, at the same time — here I agree with Mrs Castle — work for an increase in consumption to permit their production to expand, but without saddling the Community with a new financial burden of hundreds of millions of units of account, which would then go on increasing year by year. A balancing act between the two extremes is required. It may not be ideal, but it is the only answer.

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

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

### 7. Regulation on liqueur wines

**President.** — The next item is the debate on the report by Mr Sutra (Doc. 1-142/80), 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 specified regions.

I call Mr Sutra.

**Mr Sutra, rapporteur.** — (F) Mr President, ladies and gentlemen, the wine-growing regulation has existed for a number of years but in it liqueur wines were forgotten. We are therefore repairing an omission that goes back several years. At long last, the Commission has proposed a regulation that all liqueur wine producers and traders in Europe were waiting for.

The regulation proposed by the Commission of the Communities is, by and large, good and the amendments that I proposed to the Committee on Agriculture are very limited in nature. At the first reading in plenary session in this House, Mr Giolitti, on behalf of the Commission, said that all the amendments proposed by the rapporteur would improve the regulation proposed by the Commission and that they were regarded as positive by the Commission itself.

I would like to refer back to the first debate in plenary session and to the discussions in committee and tell you why and how, as rapporteur, I was prompted to request that the report be referred back to the Committee on Agriculture. I feel that, since then, the dialogue has been constructive. At the first reading, amendments which had been rejected by the Committee on Agriculture were tabled again. Mr Ligios, Vice-Chairman of the Committee on Agriculture, had, in particular, proposed an amendment which would have



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deleted the whole of paragraph 8, containing the major part of the regulation. In view of the fact that this proposal, rejected by the Committee on Agriculture, was being made again in plenary session, I felt that our work had been incomplete and I therefore asked for the report to be referred back to committee.

Today, Mr Ligios is proposing an amendment — No 4 — which reproduces the whole of the regulation that the Commission had proposed with all the details and all the addenda that I myself had made. It is, I feel, proof of the good faith of our discussion. Since Mr Ligios is accepting the whole of this regulation, it is clear evidence that we have done our work properly. He includes an addendum which is, if I understand it rightly, a 'safety net', a precaution, in case there should now already exist in Europe liqueur wines which do not enter into the field of application of the regulation.

I hope — and I told him so several times — that this addendum is unnecessary, because I believe that the regulation which is proposed is good and not discriminatory towards any production of liqueur wines in Europe. To the extent that Mr Ligios has reproduced the whole of the regulation that I had proposed, I consider that to be proof of his good faith in this debate and my own shall be no less. I shall not oppose this addendum, which is a safety net or a precaution, although I continue to feel and hope with all my heart that it is unnecessary, but no one can claim to be perfect.

I thank Mr Ligios for having added at my request the words 'produced by traditional methods'; we are dealing, therefore with liqueur wines which already exist, and should any one have escaped our regulation it will be covered in this way.

That, I feel, is the essence of this debate. The rapporteur will not oppose Mr Ligios' amendment because now it reproduces the whole of the proposed regulation.

I see that we have again three proposed amendments from Mr Curry. He has changed his Amendment No 3 in the manner that I had suggested to him in the Committee on Agriculture and has been kind enough to remove the wording that might have let it be understood that plastic containers might be used. I had told him this several times; I see no reason, in the two regulations that exist — one for ordinary liqueur wines and one for quality liqueur wines — why the maximum possible content should not be raised to 5-10 litres in the regulation regarding ordinary liqueur wines.

Conversely, on another point, we have a very clear policy issue which I shall make no attempt to avoid. Mr Curry proposes two amendments, Nos 1 and 2, which do not, I repeat, concern any liqueur wine produced in the Community at the present time. On

Mr Curry's own admission, it relates only to sherry and wines produced in Spain, a country which has applied for membership of the Community but which is not yet a member. Amendments Nos 1 and 2 — I am repeating what I already said at the first reading — concern the Treaty of Accession for Spain and the discussions that we shall be having at that time, but they can in no way be regarded as belonging to the regulation on liqueur wines for the Community as it stands at nine or even ten countries, since the enlargement to include Greece has already been agreed by many countries. The rapporteur is therefore against Mr Curry's Amendments Nos 1 and 2 because they do not relate to wines produced in the Community.

Several members of the Assembly have asked me what to make of a letter they received yesterday or today in which people who claim to have something to do with liqueur wines said they were opposed to the regulation for which I am the rapporteur. I would point out that the authors of this letter represent trade and industrial but in no case agricultural interests. I protest against this attempt to bring pressure to bear on the free judgment of Members of Parliament who are capable of making their own assessments of the regulations proposed to them, and here I speak on behalf of the Committee on Agriculture which unanimously approved this document. At the first reading the voting was unanimously in favour save for two abstentions. There were no votes against. At the second reading, the Committee on Agriculture approved the text that I have tabled unanimously.

I would like to say that liqueur wine producers in Europe are perhaps the most deserving growers in agriculture. Liqueur wines are the finest achievement of the vineyard and the art of the wine-grower. Liqueur wines are produced in regions of exceptional dryness, generally on hillsides that are extremely difficult to work because they are the sorriest areas cultivated in Europe and the most difficult to represent geographically because they are on steep gradients. People who make liqueur wines have an extremely low output. One example I can think of is the island of Pantelleria, south of Sicily, and certainly the southernmost area of the whole of the European Community. I am also thinking about the people who work the hillsides in the shale above Banyuls.

Unquestionably, this regulation on liqueur wines will provide full guarantees to these producers working in such difficult conditions. The regulation is absolutely essential. In the Committee on Agriculture, my report was approved unanimously and I hope that, in plenary session today, it will be the same.

*(Applause)*

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

**Mr Curry.** — Mr President, I wish to table again the amendments I tabled the first time this question came up for discussion for a very simple reason. Spain will, in all probability, become a member of this Community. If a liqueur wine regulation is passed in the form now envisaged, it will have to be renegotiated when Spain's accession is being negotiated. Why should we go to all that effort and concern? I am asking this Parliament to make an effort of imagination and to look a little bit over the horizon to the future. When Spain is in the Community, sherry in particular will be the most distinguished of the liqueur wines in the Community. Therefore I am simply asking that certain amendments be made in this regulation to accommodate sherry so that it conforms with the regulations. If we do not, the whole thing will have to be renegotiated in any case at an enormous cost in bureaucratic time and effort. One of the jobs, I hope, of this Parliament is to be a little bit imaginative when we are considering the future of Europe. We have spent a lot of time this morning talking about the immediate problems of the present. My amendments will clear the way to facilitate the enlargement and to prevent a problem which ought to be treated at a purely technical level becoming the subject of intensive negotiations. I commend these amendments to you in the hope that Parliament will be prepared to take this small step of imagination.

I may add, Mr President, that our group will support Mr Ligios' amendment, which I understand Mr Sutra has in fact accepted. It may be that the Ligios amendment does cover certain of our requirements, but I would much rather be safe than sorry, so I shall maintain my own amendments.

**President.** — I call Mr Ligios.

**Mr Ligios.** — (I) Mr President, I spoke in the House on this subject when it was first discussed and then, at the request of the rapporteur, referred back to the Committee on Agriculture. This time again, I want to thank the rapporteur not only for the valuable work that he has done but also for the goodwill he has shown enabling unanimity to be achieved in spite of the difficulties of reaching agreement on so sensitive a subject.

I wish to point out the concern behind one of the two amendments that I tabled — a concern that, to my mind, will practically disappear if the amendment on which Mr Sutra has expressed his favourable opinion is approved. The practical effect of the proposed change to Article 8 is to require that liqueur wines, to qualify as such, must have specific characteristics which are defined. We should not, however, forget that these characteristics correspond exactly to those of French natural sweet wines — which are very fine products as Mr Sutra has said but which are not the only ones in the Community. For many centuries —

not only today — one could and can find high quality liqueur wines in my country and, I think, other countries in the Community as well, made in specific areas with specific characteristics. My concern is to ensure that the definition of liqueur wines should not include only those of France to the exclusion of all others. If Mr Sutra accepts the second and third part of my amendment — where it is stated that the Council of Ministers may find it necessary, on a qualified majority and on the proposal of the Commission, to decide on matters of this kind, even with regard to liqueur wines that do not have the characteristics specified in Article 8 — then all liqueur wines corresponding to specific characteristics and produced in specific areas are safely included. Our concern would therefore be dispelled. Mr President, we are making this statement because we cannot accept that the powers of the Council of Ministers should be exercised only for liqueur wines corresponding to the specific characteristics stated by Mr Sutra. There are quality wines produced in specific areas that have equal merit and therefore have a right to their own specific identification.

That is why I again thank Mr Sutra for having accepted the amendments. I therefore withdraw my opposition that I had entered in other regards during the first reading.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) I can be very brief, but I should like to thank Mr Sutra for his really excellent report. As he made clear when presenting the report, there is no disagreement between the report and motion for a resolution and the Commission. I repeat that in general we consider that the draft amendments that have been tabled will improve the resolution.

We had some difficulty over Article 16 (b) but this will be resolved if Mr Ligios' amendment is accepted. So the Commission can accept this motion for a resolution and all that is needed now is for the Council to add its approval.

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

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

## 8. Urgent procedure

**President.** — I have received from Mr Jaquet and others a motion for a resolution with request for urgent debate, pursuant to Rule 14, on the present crisis in the EEC (Doc. 1-173/80).

**President**

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

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

**9. Wine market**

**President.** — The next item is a debate on the report (Doc. 1-143/80) 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.

I call Mr Buchou.

**Mr. Buchou, rapporteur.** — (F) Mr President, ladies and gentlemen, this is in fact the second time this report has been before the House. I think I can say that it was rather due to an accident that the text was not adopted by the Assembly the first time, there having been some confusion between the text put forward by the committee and a resolution which also bore my name.

When this report was presented the first time, no amendments were tabled, because Parliament's Committee on Agriculture very largely agreed with the Commission's proposals. The only point raised was one by the Committee on Budgets, which felt that a financing proposal involving a 5m to 121m EUA bracket went too far. It wanted this bracket to be considerably reduced. But here we face a very specific technical problem, which is attributable to the features of activities in agriculture and above all the wine sector. In some years we have surplus production, as was the case with the 1979/80 harvest. In other years production is low, 1978 being a specific example. In 1978 5m EUA was enough, while 121m EUA is considered necessary for 1980. We therefore suggested, and the Commissioner agreed, that special financial methods should be proposed. In fact, it is a question of financial management.

On this particular aspect I really have nothing more to say. I agree with the Commission's proposal. But I should like to go a little further in this debate, Mr President, because in the Committee on Agriculture we had a large measure of agreement with the Commission's representatives on the concept of the organization of the wine market. In particular, we agreed on the intervention methods and on the need to anticipate movements in the market so that Community resources might be used to prevent slumps. We feel that here again prevention is better than cure, and in this case prevention will cost the Community budget a great deal less, while assuring producers of more balanced revenue.

But since we had that discussion in the Committee on Agriculture, since we approved this report, there has been an appreciable slump in the wine markets, particularly in the Mediterranean region. That is why, with your permission, Mr President, I should like to ask the Commissioner what has caused this situation, which should not normally have arisen, given the factors that emerged during our discussion in the Committee on Agriculture. Is there a technical problem in the use of interventions? Are there — and this would be extremely regrettable and particularly frightening — problems with financial resources because of our budgetary difficulties? As the rapporteur of the Committee on Agriculture, I would be happy to know the causes of the present difficulties with intervention in the wine market.

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

**Mr Sutra.** — (F) Mr President, I should like to say a few words in praise of the excellent measures proposed by the Committee on Agriculture and its rapporteur, Mr Buchou. We have reached agreement with the Commission over this problem on a number of occasions, and in fact first Mr Williamson and later Mr Gundelach agreed to the performance guarantee on long-term storage contracts for table wines — forgive the outlandish technical terminology, but that is what it is called. Mr Gundelach gave his agreement to the Committee on Agriculture and later also confirmed it here on the floor of this House.

I should add that this measure has already twice been approved by the Committee on Agriculture and twice been passed by this Parliament in plenary sitting. When Mr Buchou presented his report at the first reading and when — as he said — it was rejected on a technicality, I nevertheless went ahead, with my group's unanimous support, and tabled a resolution having essentially the same conclusions. The resolution was adopted. The measure in question is one, therefore, that Parliament has already approved once before. In the debate on farm prices I tabled an amendment which embodied this same measure. Parliament adopted the amendment. So Parliament has now twice voted for the measure Mr Buchou is proposing to you today.

I wish to say a brief word about the technical and political, not to say moral, aspects of this measure. The European Community has always intervened in years when there has been a bumper harvest ever since the creation in 1971 of the common market in wine. But it has always taken demonstrations by the wine-growers to persuade the Community to intervene, and these interventions have always come too late. Now, it has apparently been the practice of the big commercial speculators to buy up inferior wines or wines of doubtful quality at the very start of the season in order to

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secure lower prices — let us not forget that the wine market is all about prices and profits — and when the Community eventually intervened in May, April or June, it was often the best wine that were being distilled or destroyed to make room on the market!

With the performance guarantee as it now stands, the value of Community intervention is significantly increased by the fact that it comes at the beginning of the wine-growing season, immediately after harvesting. As a result — this year in particular — inferior or potentially inferior wines can be destroyed or distilled and, because producers are now able to exchange wines already in storage for other wines, the better wines can be offered to the consumer, which is infinitely more logical. The performance guarantee allows for far greater efficiency in the organization of the wine market and, let it be said, at no extra cost.

I should like to comment briefly on the opinion given by the Committee on Budgets. The Committee on Budgets has raised objections to the Commission's proposed range of 5 to 121 million EUA. I quite understand the committee's dilemma, but if it has nevertheless given a favourable opinion it is because it has yielded to the force of our reasoning. The fact is that wine production fluctuates enormously and bumper harvests are often followed by very poor harvests.

The performance guarantee proposed in the Buchou report has now been in operation for two years. If it has been exploited to the full and involved some expenditure in the current year, last year, by contrast, it cost nothing at all. The range of 5 to 121 million EUA proposed by the Commission is based on actual figures. They represent the cost of intervention on the wine market this year and last year. The variation is therefore extremely wide. If the bracket were to be narrowed it would have to be multi-annual, averaged over at least five and possibly as much as ten years. At any rate, it is worth recording that over the past five years wine has accounted for 1.5% — just 1.5% — of the Guarantee Section of the EAGGF budget. Two and three years ago, respectively, which were years of poor harvests, the budget share actually fell below 1% to 0.7%, which is to say that the measure being proposed offers the advantage of greater efficiency for the same cost, since the performance guarantee is a mechanism ideally suited to the purpose, and by that I mean it caters for both good and poor harvests.

I have just one more thing to say. For the past ten years France and Italy have been engaged in what has been called a 'wine war' over table wines. Now, for the first time in ten years, France and Italy have joined together in calling for the performance guarantee. The significance of this is that for the first time we have a measure that answers the needs of the European wine market as a whole. That is why we are asking you to give this measures your support.

**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, I should like to add a few observations to those already made by the rapporteur, Mr Buchou, to underline the particularly difficult problems affecting the wine market at the present time. Throughout the lifetime of the European Parliament the wine sector has been in a state of perpetual crisis, the outstanding episode of which has been the 'wine war' between Italy and France mentioned by Mr Sutra. But I do not believe that the effects of the crisis have ever been more widespread than they are now, since they concern not just the French and the Italians but all the Community wine producers. We believe that this will before long give rise to social tensions, and in fact, as a member of a delegation from my group, I was recently able to see the first signs of such tensions in the South of France.

What is behind these tensions, these terrible problems in the wine-growing sector? There are three fundamental causes. First and foremost, it is over-production. In Italy we over-produced by 16 %; in France, if I am not mistaken, by over 30 %; in all the countries outside the Community, from Spain to Portugal, from Greece to Argentina, production has exceeded the already quite ample levels of 1973-1974. What marks the present crisis, however, is the fall in consumption in the countries that are the largest consumers. To give you an example, the average *per capita* consumption of wine in France and Italy is about 100 litres. The fall in consumption is of the order of 12 % and my explanation for it — we shall see what Commissioner Gundlach will have to say — is that in the present economic crisis one of the first things that everyone cuts back on is wine.

The second cause is the fierce competition from other alcoholic beverages, which in many parts of the Community benefit from particularly favourable tax arrangements that are continually being revised and adjusted.

The third and final cause is to be found in the fact that the various decisions taken by the Council of Ministers to create greater balance and stability in the wine-growing sector have not yet come into force. I am referring principally to the decisions taken last year but which are not yet fully effective; no doubt they will become so over the next few years.

Among the various decisions in this sector taken by the Council of Agriculture Ministers I should like to single out one in particular. It concerns the fixing of a basic intervention price in a way that gives producers the option, when the market price falls or is expected to fall below a certain level, of releasing this wine for distillation. However, as this would place a heavy financial burden on the Community, the Council is

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seeking to introduce other mechanisms — such as the long-term storage facility we are discussing now — to support the price of wine and prevent it falling below a certain level that would force producers to put it into intervention.

We therefore must give our approval to these provisions, and I ask all those who have been unable to make up their minds one way or the other to do so as well. By allowing producers, after a period of nine months, to extend storage by four months as an alternative to distillation at the intervention price, we should be helping considerably to ease the market and relieve the Community of enormous expenditure, and that is why it is so vital that this measure be adopted.

Mr President, I ask everyone to give their special attention to this matter to avoid the sort of misunderstanding that occurred on 13 March, and to ensure that this proposal is finally adopted. Its adoption would bring a welcome relief in the present crisis on the wine market.

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

**Mr Battersby.** — I wish to introduce a word of caution into this debate. Being a member of the Budgetary Control Committee, I come across some of the financial problems in the wine industry, and I believe it is a duty to minimize the cost of market support and the problems caused on the alcohol market through the distilling of excess wine into alcohol, whilst of course recognizing the need to assist the industry and encourage improvement in wine quality.

Guide prices trigger off, and set the levels of, aid for the main market-support measures in this sector. In the short-term they are an important factor in determining the extent of expenditure. However, in the longer term high guide prices act as an incentive to overproduction and to increased expenditure on market support, and also create further problems.

Wine has been in structural surplus for a number of years and is becoming a growing charge on the budget. The present estimated expenditure in the 1980 budget on wine is 350 million units of account. This is the level of expenditure before the entry of Spain into the Community. I submit that this is a danger signal. Spanish yields per hectare are 50 % of French and Italian yields and can be brought up to French levels very rapidly by the use of fertilizer. Spain is already in surplus in wine and, unless we are careful, wine will become after enlargement a very serious charge on the budget and on the taxpayer. I therefore recommend that the financing of the wine sector be treated with considerable caution, whilst of course recognizing that our present wine industry must be protected, especially in view of the wide fluctuations due to the sensitivity

of the sector to climatic conditions. However, I would like to repeat once again that we must look on the wine sector as an area of expanding expenditure, and it must be treated with considerable caution.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I shall make this quite brief, because this is the second debate on a Commission proposal to extend the application in the coming year of the system known as the performance guarantee system. The Commission has proposed that this system should continue to apply for a period of about three years; for when there is an imbalance and total distortion on the wine market, which only happens at intervals of several years, it has proved to be the most effective means of dealing with such problems.

It is true that we have now won the Council's agreement to a more comprehensive wine policy and some structural measures as well as market support measures. The aim with the more comprehensive package is to achieve a better balance in the market over certain periods, as the producers' own interests also clearly require. But obviously it will take time to implement such a rational and coherent policy involving both market policy and structural measures. And the Commission feels that this performance guarantee system must continue at least for a transitional period of three years. It is not being replaced in the new regulation by the so-called minimum price system which is, if I may say so, more in the nature of an emergency measure. Here we are speaking of the first line of defence. The two things cannot be compared. We are maintaining this proposal. In the Council we have said we are willing to discuss technical details and possible technical adaptations in connection with the use of the system in future, but, like the rapporteur, we are convinced that this system must continue for a number of years to come.

I have no objections to the rapporteur's main thesis and we have talked about that in some detail in an earlier debate so I do not propose to take up Parliament's time and repeat it now.

But let us look at one specific question — raised by Mr Buchou — about how the distillation measures are operating this year, when we are faced with record wine harvests. First of all, I would say to Mr Sutra in this connection that the measures that the Community can adopt are not too late. Under the performance guarantee system, these measures come into effect in October. Before that there is no distillery capacity so it is not technically possible. We begin at the earliest possible moment. Under this system, we have distilled more than 7 million hectolitres this year, to which must be added special distillation of a further 4 million hectolitres. That makes 11 million altogether and in

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addition there are the *ad hoc* distillations approved by the Council on a proposal from the Commission which have produced a further 5 million hectolitres from the first lot in March. But it was a slower process than we had expected. So the Commission submitted the proposal to the Council, which the Council agreed to under the written procedure, extending the time-limit for the special distillation to some time in June. We estimate that the quantity produced from this extension under this programme will be around the 8 million mark, i.e. that altogether Community intervention this year, that is, up to now, will amount to almost 20 million hectolitres of wine.

This is intervention on a massive scale, and even if the harvest has been of record proportions and the effects on prices may consequently be delayed I cannot imagine that it can fail to affect prices — and we must remember there are export refunds too. The measures that have been adopted are very extensive and that is justified by the fact that wine producers, as is often said in these debates, are among the most vulnerable of agricultural producers. But, as Mr Battersby also observed, it can serve no useful purpose for us to kid ourselves that these measures are not very expensive. It must be realized therefore that they are only introduced at intervals of several years. We do not get record crops of this kind every year, so we are not up against the same problems in the wine sector as we have got in the milk sector.

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

The vote will be taken at the next voting time.

10. *Regulation on fishing in the regulatory area defined in the NAFO Convention*

**President.** — The next item is the debate on the report by Mr Gautier (Doc. 1-147/80), on behalf of the Committee on Agriculture, on

the proposal from the Commission to the Council (Doc. 1-727/79) for a regulation concerning the allocation and control of certain catch quotas for vessels flying the flag of a Member State and fishing in the regulatory area defined in the NAFO Convention.

I call Mr Gautier.

**Mr Gautier, rapporteur.** — (D) Mr President, ladies and gentlemen, I will not keep you long, because all the essential comments are to be found in the working document, to which reference can be made. I am assuming that all the Members of this House have read the report, and I will therefore give only a brief presentation.

We are concerned here with the intra-Community distribution of the catch quotas allocated to the Community as a whole in the Regulatory Area of the North-west Atlantic Fisheries Organization. This covers catch quotas outside the 200-mile limits. The procedure is that the Commission — not the Member States — attends the negotiations on behalf of the Community. The outcome of the negotiations can be contested by the Commission within 60 days. Otherwise, it is binding on the Community and then as regards the distribution of catch quotas.

The Commission did appeal against the non-allocation of a catch quota for redfish, calling for no more than the maintenance of the Community's traditional catch quotas. The report I am now presenting on behalf of the Committee on Agriculture was adopted in committee by 27 votes for and one vote against, and I should explain that the one vote against did not signify a rejection of the content but of procedures. The report stresses a number of points, which should be seen in the context of the overall NAFO arrangement. On the one hand, we criticize the Commission for not involving Parliament in good time during the NAFO negotiation, which means that the Community's catch quotas are for us a *fait accompli*. What we would like to see is some kind of consultation procedure between the Commission and Parliament for future negotiations on NAFO catch quotas.

The second point we stress is that at some time or other we as a committee would like to have a detailed report on the traditional catch quotas in the NAFO area of both the Community and the other countries involved in this convention, so that we of the European Parliament have some basis for saying that the Commission has negotiated well and in the interests of the Community.

Thirdly, we call for an investigation into the stocks being distributed, because where catch quotas are concerned, we repeatedly find that, from our point of view, there is in fact no reasonable basis for the allocation and distribution of catch quotas. It would be a very good thing to have some well-founded working documents on actual stocks and how these stocks can be preserved.

Lastly, we ask the Commission for proposals on subsequent means of keeping a reasonable check on catch quotas. There have recently been a number of incidents that make it clear that occasional checks by Community inspection vessels are not sufficient and that we do not know at the moment of any reasonable system of ensuring observance of the catch quotas. We ask for proposals to be submitted on this, so that we do not have one kind of check here and another kind of check there, depending on the fishing ground.

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

**Mr Kirk.** — (DK) Mr President, I hope the Commission will take note of the fact that the Committee on Agriculture has repeatedly expressed its dissatisfaction at the way in which the Commission is conducting the negotiations in the fisheries sector. As Mr Gautier quite rightly said, the whole of the Committee on Agriculture deplores the fact that Parliament has no real opportunity to discuss the actual substance of agreements before they become a fact to which the Commission has committed the Community.

Another point is that Parliament has repeatedly drawn attention to a number of serious weaknesses in the way in which fishery resources, both in the waters of the Member States and in international waters, are being exploited. I shall try to deal with recommendations made in Mr Gautier's report under paragraph 5, in which the committee — and I hope Parliament will endorse this when it comes to the vote — demands that research be carried out urgently on stock levels and suitable quota levels for the major fish species in the area dealt with in the report. Because we find, unfortunately, that there is talk of fixing quotas for these waters as well and in many cases quotas are not fixed on the basis of the size of the stocks and potential resources. We must also say that of course the Community and the Commission, when negotiating on its behalf, are responsible for seeing that the resources of the ocean are used properly. But what do we mean by used properly? Are we using them properly when we fix new quotas; when no fishing is allowed because nothing is known about the stocks found in those particular waters? I do not think that is a responsible way of using resources. Therefore I hope Mr Gundelach, on behalf of the Commission, will take note of the fact that we in the Committee on Agriculture have once again drawn attention to what we consider to be a serious weakness in the common fisheries policy in regard both to our own waters and also the fishing that goes on in international waters. If we want a common fisheries policy to have any credibility for those who have to earn their living from it, we obviously cannot continue having nil quotas, the reason for which is simply that we do not know enough about the size of the fish stocks, which gives us no hope of pursuing a proper policy.

**President.** — I call Mr Battersby.

**Mr Battersby.** — Mr President, as we all know the entire Community distant-water fleet is in financial difficulties. Oil costs have escalated six times since 1973 and it is now costing up to 6 000 units of account per day to keep a distant-water trawler at sea, whether it is fishing or not. On the other hand the consumer will not pay more for cod filets than she will for stewing steak, and the owners are caught in a tight financial squeeze between operating costs and returns. It is economical to fish these waters only if much larger

quotas are obtained, and I do ask the Commission to put the fishermen first before political expediency if this is necessary. I also ask the Commission, when negotiating, to fight on behalf of the Community fleet for much higher quotas of prime species such as cod. On this business of estimating the size of the stocks available, I would ask the Commission to consider the possibility of financing our own on-the-spot investigation so that we can go to the negotiating table armed with accurate figures and fight for a better deal for our own people.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr. President, I wish to thank Mr Gautier for his report. Of course the Commission is extremely mindful of the criticism made by the Committee on Agriculture and the rapporteur regarding the timing of these discussions which does not allow the committee to present Parliament's views on the substance of the negotiations and to do so through its reports.

In the present instance, however, I would point out that last year the time-limit for submitting objections was between June and August and, for purely practical reasons, I have my doubts as to whether transferring the matter from one Parliament to another could have produced a different result. I am sorry that we are obliged to deal with the question in a formal manner without consultation on the substance. This should not be taken as an indication of how the Commission intends to deal with such matters in future, but I think Parliament must take into consideration the fact that in this particular case there was a special problem when it came to synchronizing Parliament's work and the final stage of the negotiations.

I should also like to remind the House that Article 43 of the Treaty requires that Parliament's opinion be sought in a number of other cases which in our view are so trifling that they do not always warrant Parliament's consideration. Since for the moment there is unfortunately no proper common fisheries policy, we are forced to load Parliament's agenda with a number of matters of minor importance and I must emphasize that apart from the uncertainty about fish stocks in the international waters we are discussing today, the subject before us belongs to that category of questions of minor importance compared with, for instance, the North Sea and other fishing areas which are of primary importance.

As regards the content of the present proposal, I shall simply draw attention to the fact that the Community has objected to the quota allocations for red fish, which did not take into account the Community's fishing record. The Community then decided to propose that a quota of 2 000 tonnes should be reserved for Community fishing vessels. We wanted it understood

**Gundelach**

that we are paying close attention to the question of surveillance. But here let it be understood that we are dealing with international waters, where it is not possible to organize inspections unless there is an international convention. We have no right to suddenly begin sending warships into the open seas and taking this or that boat into custody. We have to implement surveillance measures on the basis of the NAFO Convention, but here we need to extend our active participation and that is indeed our intention, but the Commission cannot itself adopt surveillance measures. We might also do this indirectly by getting the Member States most concerned to take over their share of the control measures and not simply leave it to the Canadian Government, which quite honestly is what is happening at present.

I said earlier that as things stand at present this is not an area with great fishing potential, but of course everything that can help at all in the extremely difficult situation we are facing is worth pursuing. Therefore there is every reason to stress the need to ascertain the extent of the fish resources in the areas concerned in order to have something more definite to go on when deciding what role these international waters can play for our fishing industry in future.

First we must try to get the NAFO, which is the organization responsible for this area, to carry out such investigations, but it may well be that in such a big organization with very many members we shall not get very far and it may then be necessary for us to propose that the Community make the necessary financial resources available for our own researchers in order to enable us to participate in these negotiations, as Members have said, on the basis of our own estimates. This time we have drawn up an estimate of our own, but because we did not have better studies carried out by marine biologists it could only be a rough estimate. But our approach, as I have already said, was to try to win more fishing rights for the Community in the areas concerned than others were inclined to grant us.

Therefore I can on the whole go along with the remarks made in the report and in the debate. I should just like to point out that I do not think that any damage has been done because of the time that has elapsed. Secondly, if you want us to go ahead and look more closely at the value to the Community of these international waters, you must also be prepared to approve the expenditure entailed by a scientific investigation financed by the Community itself. Thirdly, if there is to be better supervision regarding quotas and fishing in the area, the Member States must play a bigger part in it, because it is they who have the technical facilities required. I would just mention that the Community has indicated its readiness to make funds available to certain Member States to enable them to build up an inspection fleet of their own and thereby shown that it intends to make its

influence felt more strongly in a number of areas close to those dealt with here.

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

The vote will be taken this afternoon at voting time.

11. *Regulation applicable to breeding animals of the porcine species*

**President.** — The next item is the debate on the report by Mr Bocklet (Doc. 1-41/80), on behalf of the Committee on Agriculture, on

the proposal from the Commission to the Council (Doc. 1-745/79) for a regulation relating to the zootechnical standards applicable to breeding species.

I call Mr Bocklet.

**Mr Bocklet.** — (D) Mr President, this is a report without debate pursuant to Rule 27 of the Rules of Procedure. I should not therefore like to open a debate, but merely refer to the written part of my report, which contains my comments.

**Mr President.** — I call Mr Skovmand.

**Mr Skovmand.** — (DK) Mr President, as the Members of this House are presumably aware, I represent a movement which hopes that Denmark will withdraw from the Community. As you also know, the support we get from this House is limited. All the same, there are some indications that we have hidden allies among the officials in the Commission — people who want to damage the Community and so produce proposals which are so ridiculous that they are bound to increase opposition to the Community, at any rate in Denmark.

As far as I can see, the proposal we are dealing with here is one example of the work of such Community saboteurs. It takes an area of activity where everything is going extremely well, namely pigbreeding in the different Member States, and then puts forward a number of proposals which will reduce and, in some cases, destroy the work that is being done. If that is not the intention, it is difficult to see what it can be. The proposal deplores the fact that different Member States are pursuing different pigbreeding policies. But what else should they do? Conditions are quite different in Denmark and Sicily, for example. And some countries, Denmark for one, have put more into pigbreeding than others. So the pigs are different and it is only understandable and reasonable that the



## Skovmand

different countries should wish to ensure that their efforts don't go for naught.

But certain people in the Commission apparently have the *idée fixe* that every form of trade must be liberalized, even if this will have adverse effects. So they are trying to undermine the efforts of the different countries and intend to do so, moreover, with the help of the *Standing Committee on Zootechnics*, in which no country has the veto. We in the Danish People's Movement against the EEC will vote against this proposal and we urge other Members to do the same, notwithstanding the endorsement by the Committee on Agriculture. We shall also, of course, be asking the Danish Government to do the same, if and when this unfortunate proposal comes before the Council.

Lastly, I have a question for Mr Gundelach. Is there not enough work as it is connected with the Community's agricultural organizations? Is it really necessary to take up officials' and politicians' valuable time with proposals that are, at best, superfluous and, at worst, positively harmful? For I assume Mr Gundelach agrees with me that there are more important things to be dealt with than making pigs uniform.

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

The vote will be taken this afternoon at voting time.

We shall now suspend our proceedings and resume them at 3 p.m.

The House will rise.

*(The sitting was suspended at 12.50 p.m. and resumed at 3 p.m.)*

IN THE CHAIR: MRS VEIL

*President*

**President.** — The sitting is resumed.

## 12. Votes

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

We shall begin with the continuation of the vote on the *motion for a resolution by Mr d'Ormesson, Mr de Courey Ling and others (Doc. 1-119/80): Surveillance of shipping routes supplying the Community.*

I call Mr Glinne.

**Mr Glinne.** — *(F)* Madam President, last night I was asked by the President to state whether our reference to Rule 33 concerned paragraph 3 or paragraph 4 of that Rule. I can now say that we are requesting that it be ascertained whether or not a quorum exists pursuant to Rule 33 (3) of the Rules of Procedure.

**President.** — I note that the quorum of one-third of the Members has not been reached.

Pursuant to Rule 26 (2) of the Rules of Procedure, the motion for a resolution is referred back to committee.

*(Applause from some benches of the Socialist Group)*

I call Mrs Cassanmagnago Cerretti.

**Mrs Cassanmagnago Cerretti.** — *(I)* Madam President, I do not intend to speak either in favour or against. I shall confine myself to saying once again that security is a matter that concerns not only the Group of the European Peoples Party but all of us. That means that this defeat for my political party leaves all the political forces in this House still facing the same problem. It is unthinkable that a situation like this should be used to embarrass a party which, when all is said and done, has never, when in power, provoked wars or invasions, but has always striven for peace.

*(Applause from some benches in the Centre)*

**President.** — Ladies and gentlemen, I should tell you that this morning at their meeting the chairmen of the political groups made a great effort to reconcile opposing views. In this connection I should like personally to thank Mrs Cassanmagnago Cerretti.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Madam President, what has just happened is no defeat for anybody. We shall be debating this matter in committee and it will come back to the floor of the House at a later stage. However, my reason for rising is to ask whether we could vote on the Provan report on sheepmeat on Thursday. The reason for asking this is that the amendments to it have only just come out in some languages, while in others they have not yet come out. I am quite prepared to go to a vote now if that is the wish of the House, but I understand that in many languages the amendments have only just been circulated, while in others they have not yet been circulated. I am only asking for a postponement of the vote until Thursday to allow honourable Members of all groups to take a view on the various amendments.

**President.** — I call Mr Luster to speak on a point of order.

**Mr Luster.** — (D) Madam President, ladies and gentlemen, this is the first opportunity I have had to speak, although I feel I did ask for the floor promptly enough. I just wanted to ask — and I can now do so in the presence of the migrant workers who have now entered the Chamber — whether it is not right, when a request has been made pursuant to Rule 33 (3), that it is for the President to ascertain whether the request has in fact been made by 10 Members. I may be mistaken, but I was unable to see you, Madam President, ascertaining whether this was the case. In my view, it cannot be deduced from the fact that 30 Members supported a request pursuant to Rule 33 (4) yesterday that, firstly, any request at all and, secondly, a different request, made pursuant to Rule 33 (4), has the necessary support. I therefore doubt, Madam President — with all respect and with all the sympathy I have for you — whether it was right to proceed to the count before it had been ascertained that 10 Members support the request. The fact that apart from Mr Glinne 10 members of the Socialist Group were in the Chamber does not, of course, mean that those Members necessarily support Mr Glinne's request. This is particularly true of the Socialist Group.

(Laughter)

Madam President, you now have the opportunity of making the count before a somewhat fuller House. For form's sake I would therefore ask you to establish whether my request is correct and if it is, to act accordingly.

(Some applause from the centre and the right)

**President.** — Mr Luster, the vote in question should have been taken yesterday. Yesterday we received a request signed by 37 Members, which referred to Rule 33 without indicating which paragraph. Mr Glinne has just explained that the reference was to paragraph 3. Yesterday's request is therefore still perfectly valid with a view to establishing whether there is a quorum present today. There is no question of a new vote.

### 13. Agenda

**President.** — You have just heard Mr Scott-Hopkins ask that the vote on the Provan report be postponed until Thursday, because of the fact that all the amendments have not yet been distributed in all the languages.

I call Mr Buchou.

**Mr Buchou.** — (F) Madam President, this vote has already been postponed several times for various reasons. It would seem that the political groups and all the Members have had time to study all aspects of this report. On behalf of my group therefore I propose that the vote be taken at the time originally agreed upon.

**President.** — I shall consult Parliament on this request when the motion for a resolution is due to be voted on.

### 14. Votes (continuation)

**President.** — We shall now consider the *motion for a resolution by Mrs Le Roux and others (Doc. 1-115/80): Code of conduct for vessels carrying noxious substances.*

I call Mrs Le Roux.

**Mrs Le Roux.** — (F) Madam President, after the Amoco Cadiz disaster the Committee on Regional Policy, Regional Planning and Transport organized a public hearing in 1978. Among other things, this hearing produced a number of recommendations on ways of appreciably reducing the risk of accidents involving hydrocarbons. Similarly, a Senatorial committee of enquiry in France has drawn various conclusions also aimed at reducing these risks.

The French Government has been incredibly passive in not taking account of recommendations that have thus been made by a wide range of experts. Today, by submitting to the vote resolutions proposing that national sovereignty in the matter of the supervision of oil tankers should be abandoned to the Community certain Members of this House are repeating and sustaining this passive approach. For us there is no question of proposing that the Community should replace the Member States. Furthermore, these resolutions are a step backwards compared with the conclusions drawn by the Committee on Regional Policy, Regional Planning and Transport in 1979, when the report presented by Lord Bruce of Donington in January of that year said — in Recommendation No 52:

It is necessary for the Member States of the EEC to enforce unilaterally within their waters those conventions to which they are parties, whether or not they have been ratified.

And later it added:

On the basis of the evidence heard at the Paris hearing, the committee were not convinced of the immediate need to set up any form of 'disaster force'.

**Roux**

And this is the tenor of the resolution that has been put before this Assembly today by the French members of the Communist and Allies Group. It is not possible, as the other motions for resolutions do, to ignore the role of the oil and insurance companies and the banks, which, to assure themselves of greater profits, scorn the law of the land and laugh at the consequences of their piratical conduct. It is too easy to pass the buck to the masters and crews and to claim accidents are due to the weather or the perils of the sea.

It was the same committee which in its report of January 1979 denounced all this. Those who are really responsible are the oil companies and the governments that protect them. There are international rules. The States must ensure they are observed. Our resolution calls on the Assembly to urge the Member States to take any initiative — including, I would stress, any unilateral initiative — to prevent a recurrence of these accidents.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Madam President, the House will remember that it was on my initiative and that of the Group of European Progressive Democrats that this matter had a very good debate last session. Although it was late at night. I am happy to say the House was very full, which I think is a great credit to the European Parliament. It did seem to me in the debate that there was no disagreement on the need for the Commission to take the initiative in drawing up a code of conduct and pressurizing the Council of Ministers to ensure that all the Member States ratify the relevant conventions. Some Member States have not done so, including my own. I am not attacking anyone here. I think most of the Member States are culpable, though not all.

I would ask the House to support the resolution as it has been put forward. We must protect these waters against the conduct of substandard tankers, all of which are insured and some of which are being used by all the oil companies. Unless we do this, there will be no point in having fishing discussions, Madam President, because there will be no fish left to argue about. I would ask the House to support the resolution.

**President.** — I call Mr Calvez.

**Mr Calvez.** — (F) Madam President, ladies and gentlemen, the resolution tabled by the Communist and Allies Group follows the one which was adopted at our last part-session and which Mrs Le Roux has just recalled. I really feel it essential to establish a code of good conduct for ships transporting crude oil, oil products and harmful substances. I believe the

Commission is looking into this questions, and we look forward to seeing what action is taken in this matter.

**President.** — I put the motion for a resolution to the vote.

The resolution is adopted.

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**President.** — We shall now consider the motion for a resolution contained in the report by Mr Seligman (Doc. 1-813/79: *Research and development programme for the EAEC on plutonium*).

Before considering the motion for a resolution proper, we must vote on Amendment No 2 by Mr Coppieters and others seeking to replace the annex to the proposal for a decision by the following text:

*'Annex*

The main purpose of the programme is to ensure maximum safety in the storage and disposal of plutonium, and study the risks involved in the use of plutonium as a nuclear fuel.

The programme comprises studies and research on:

- the environmental and work-place impact of plutonium,
- safety aspects of plutonium transport (not by air).

This programme will be carried out by way of contracts.'

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — (F) I oppose this amendment, which would detract from the scope of the text. —

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — (NL) Madam President, my group requests a vote by roll call on all my amendments.

**President.** — We shall use the electronic voting system for all roll-call votes.

I put the amendment to the vote.

Amendment No 2 is rejected\*.

\* For the detailed results of the roll-call votes please consult the minutes of proceedings.

**President**

*(Parliament adopted the first three indents of the preamble to the motion for a resolution)*

I now have Amendment No 5 by Mr Muntingh seeking to replace the rest of the motion for a resolution by a new text to read as follows:

- having regard to the unacceptable dangers of the use of nuclear energy to public health, the functioning of society, the environment and human life itself;
- having regard to the unacceptable strain placed on public finances by the development and use of nuclear energy;
- whereas the financial and human resources that would have been released at European level for this programme should be applied to the promotion of the responsible use of sources of energy other than nuclear fission and fusion,

Rejects the Commission's proposal.

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — (F) I am against this amendment, Madam President. Parliament expressed its views on this subject during the debate on the Fuchs report.

**President.** — I put this amendment to the vote.

Amendment No 5 is rejected.

On the fourth indent I have two amendments:

- Amendment No 1/rev. by Mr Coppieters and others seeking to amend this indent to read as follows:

‘— considering that the first directly-elected Parliament has a particular obligation to reflect and take account of public concern, especially when considering technical or scientific developments of an irreversible nature, with far-reaching consequences, and having regard to the fact that concern about the risks associated with plutonium, far from being allayed by the information which official sources have provided, has become more widespread since the previous Parliament adopted its resolutions of 1974 on plutonium recycling and 1976 on reprocessing of irradiated fuels and materials’

- Amendment No 29 by Mr Linkohr seeking to add the following sub-indents:

‘— on the communication from the Commission of the European Communities to the Council on the fast breeder option in the Community context<sup>1</sup>,

‘— on the operation of the Euratom inspectorate<sup>2</sup>.’

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — (F) I am in favour of Mr Linkohr's amendment and opposed to Mr Coppieters'.

**President.** — I put Amendment No 1/rev. to the vote.

Amendment No 1/rev. is rejected.

I put Amendment No 29 to the vote.

Amendment No 29 is adopted.

*(Parliament adopted the fourth indent thus amended)*

After the fourth indent I have Amendment No 11 by Mr Coppieters and others seeking to insert a new indent to be worded as follows:

‘— having regard to the present inability of the nuclear industry to increase the reprocessing of spent fuel without encountering serious technical problems about safety and the exposure of the work force to high radiation levels, the major difficulties encountered at the prototype stage with fast breeder technology, and the widespread reluctance of local communities to agree to waste disposal schemes the safety of which appears to them uncertain.’

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — (F) I am against this amendment, Madam President.

**President.** — I put the amendment to the vote.

Amendment No 11 is rejected.

*(Parliament adopted the fifth indent)*

On paragraph 1 I have two amendments seeking to replace this paragraph by a new text:

‘—Amendment No 12 by Mr Coppieters and others:

‘1. Expresses deep concern that considerable quantities of plutonium continue to be produced in reactors throughout the Community, despite the fact that there are no broadly accepted safe ways of either using it or disposing of it, and considers that this must lead to increasing social and political tensions;’

— Amendment No 30 by Mr Linkohr:

<sup>1</sup> OJ No. C 63, 13. 3. 1978, page 45

<sup>2</sup> OJ No. C 127, 21. 5. 1979, page 44

**President**

- '1. Expresses deep concern that, while considerable quantities of plutonium continue to be produced in reactors in the Community, there are as yet no broadly accepted safe ways either of using it or of disposing of it;'

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — (F) I am against this amendment, Madam President.

**President.** — After paragraph 1 I have two amendments seeking to insert new paragraphs:

— Amendment No 6 by Mr Sassano:

- 1A. Recognizes also the need to make a careful assessment of an effective plutonium recycling policy.

— Amendment No 7 by Mr Sassano:

- 1B. Stresses the need to pursue an adequate policy of quality safeguards in respect of all problems connected with the plutonium cycle.

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — I am in favour of both amendments, Madam President.

*(In successive votes Parliament adopted Amendments Nos 6 and 7)*

**President.** — On paragraph 2 I have two amendments seeking to replace this paragraph by a new text:

— Amendment No 13 by Mr Coppieters and others:

2. Considers the safety of the population at large, and of persons working with plutonium, to be of over-riding concern.

— Amendment No 31 by Mr Linkohr:

2. Emphasizes that high priority must be accorded to the safety of the environment and of persons working with plutonium *in view of the serious radio-toxic hazards involved.*

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — I am in favour of the Linkohr amendment and I am against the Coppieters amendment, Madam President.

*(In successive votes Parliament rejected Amendments Nos 13 and 31)*

**President.** — On paragraph 3 I have two amendments seeking to replace this paragraph by a new text:

— Amendment No 14 by Mr Coppieters and others:

- '3. Sees a pressing need for research (including research by groups whose starting-point is critical) into the risks associated with the production and use of plutonium (at the work-place and in the environment), so that existing risk may be minimized and future danger averted;'

— Amendment No 32 by Mr Linkohr:

- '3. Sees an essential need for the continuation of research into the plutonium cycle in order to minimize the occupational and environmental risks associated with the production and use of plutonium and considers that, in the meantime, the quantities of plutonium produced should be kept to a minimum;'

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — I am against Amendment No 14 and I am against Amendment No 32, Madam President.

*(In successive votes Parliament rejected Amendments Nos 14 and 32)*

**President.** — After paragraph 3 I have two amendments seeking to insert new paragraphs:

— Amendment No 15 by Mr Coppieters and others:

- '3a. Considers that pending the outcome of this research, production of plutonium should be kept to a minimum, and steps to develop its use suspended;'

— Amendment No 39 by Mrs Groes:

- '3a. Believes, however, that only 4.75 m EUA still need be set aside for the purpose and only 3 persons still need be employed to administer the programme over the new 5-year period, rather than the proposed 20 m EUA and 9 staff;'

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — I am against Amendment No 15 because it would delay the whole programme, and I am against Amendment No 39 because the staffing level has been approved by the Committee on Budgets.

*(In successive votes Parliament rejected Amendments Nos 15 and 39)*

**President.** — On paragraph 4 I have two amendments:

**President**

— Amendment No 16 by Mr Coppieters and others seeking to replace this paragraph by a new text to be worded as follows:

4. Considers that in present circumstances there is no economic advantage to be obtained from the recycling of plutonium and no over-riding reasons, on waste management grounds, why reprocessing should not be abandoned;

— Amendment No 33 by Mr Linkohr seeking to delete this paragraph.

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — No to both, Madam President.

*(In successive votes Parliament rejected Amendments Nos 16 and 33 and adopted paragraph 4)*

**President.** — On paragraph 5 I have three amendments:

— Amendment No 17 by Mr Coppieters and others seeking to amend this paragraph to read as follows:

5. Is of the opinion that recycling of plutonium for electricity generation is unnecessary since the proportion of energy requirements that it might meet can be covered by energy conservation and safe soft energy alternatives;

— Amendment No 34 by Mr Linkohr seeking to delete this paragraph,

— Amendment No 40 by Mr Veronesi and Mr Ippolito seeking to add the following text to this paragraph:

5. ... imported uranium and alleviating the serious problem of radioactive waste.

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligmann, rapporteur.** — Madam President, I am against Amendment No 17 by Mr Coppieters; I am against Amendment No 34 by Mr Linkohr and I am in favour of Amendment No 40 by Mr Veronesi and Mr Ippolito.

*(In successive votes Parliament rejected Amendments Nos 17 and 34 and adopted Amendment No 40 as well as paragraph 5 thus amended)*

**President.** — On paragraph 6 I have four amendments:

— Amendment No 8 by Mr Sassano seeking to reword the paragraph as follows:

6. Recognizes, however, that the recycling of plutonium in light water reactors, *while not a matter of priority, is a useful second-line solution for States in which fast-breeder reactors are being developed;*

— Amendment No 18 by Mr Coppieters and others seeking to delete this paragraph,

— Amendment No 35 by Mr Linkohr seeking to delete this paragraph,

— Amendment No 27 by Mr Seligman seeking to add the following words at the end of the paragraph:

... and recommends that more accent be placed on recycling in fast breeder reactors, which is the more economic path.

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — Madam President, I am surprised that these exclude each other but I am in favour of Mr Sassano's Amendment No 8; I am against Amendment No 18 by Mr Coppieters; I am against Amendment No 35 by Mr Linkohr and naturally I am in favour of Amendment No 27 in my own name, and that should come before Mr Sassano's amendment. Is this not possible?

**President.** — I put Amendment No 18 to the vote.

Amendment No 18 is rejected.

Amendment No 35 therefore falls.

I put Amendment No 8 to the vote.

Amendment No 8 is adopted.

Amendment No 27 therefore falls.

After paragraph 6 I have Amendment No 9 by Mr Sassano seeking to insert a new paragraph to be worded as follows:

- '6A. Stresses the importance and priority which must be given to the development of alternative technologies which afford a higher degree of safety from the angle of protection against radioactive pollution and, above all, from that of the risk of proliferation; the existing appropriations (7 000 000 EUA) appear barely adequate for such technologies;

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — I am against.

**President.** — I put the amendment to the vote.

Amendment No 9 is rejected.

On paragraph 7 I have two amendments:

— Amendment No 4 by Mr Ghergo seeking to add the following words to this paragraph:

7. ... particularly with a view to the adoption of possible directives or other Community provisions;

— Amendment No 19 by Mr Coppieters and others seeking to add the following text at the end of this paragraph:

7. ...; requests that the Council decision on the present programme be postponed until the above-mentioned conclusions are available and have been examined by the Parliament.

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — I am in favour of Amendment No 4, by Mr Ghergo, and I reject Amendment No 19, by Mr Coppieters.

**President.** — I put Amendment No 19 to the vote.

Amendment No 19 is rejected.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

*(Parliament adopted paragraph 7 thus amended and paragraph 8)*

After paragraph 8 I have two amendments seeking to insert two new paragraphs:

Amendment No 20 by Mr Coppieters and others:

- '8a. In the absence of any explanation from the Commission of the need to develop costly and potentially dangerous techniques for transporting plutonium by air, calls on the Commission to abandon this aspect of its proposal;

— Amendment No 36 by Mr Linkohr:

- '8a. Requests the Commission to study the impact on citizens' rights of added security measures which may be necessary to ensure the non-diversion of fissile plutonium, and to present recommendations to the Member States on the basis of consultations with the public authorities and other organizations concerned;

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — (F) I am against these two amendments, Madam President.

*(In successive votes Parliament rejected Amendments Nos 20 and 36 and adopted paragraph 9)*

**President.** — On paragraph 10 I have three amendments seeking to replace this paragraph by a new text:

— Amendment No 10 by Mr Sassano:

10. Points out that the proposed programme does not conflict with the conclusions of the International Nuclear Fuel Cycle Evaluation Programme;

— Amendment No 21 by Mr Coppieters and others:

10. Considers that the Council should await the report of the INFCE and amendments to the Commission proposal which may be made in the light of it, before adopting the present proposals.

— Amendment No 37 by Mr Linkohr:

10. Points out that this programme may have to be revised in the light of the report of the International Nuclear Fuel Cycle Evaluation and of the Commission's report on the first research programme on the plutonium cycle.

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — I am against Amendments Nos 21 and 37, and I am in favour of and welcome Mr Sassano's Amendment No 10.

**President.** — I put Amendment No 21 to the vote.

Amendment No 21 is rejected.

I put Amendment No 10 to the vote.

Amendment No 10 is adopted. Amendment No 37 therefore falls.

*(Parliament adopted paragraph 11)*

After paragraph 11 I have four amendments seeking to insert new paragraphs:

— Amendment No 3 by Mr Ghergo:

- '11A. Recommends, having regard to the fact that some aspects of this programme are linked with topics falling under the radiation protection programme, already debated and adopted by Parliament at its sitting of 18 January 1980,<sup>1</sup> that the Commission should work out suitable criteria for the harmonization and coordination of these two research programmes;

**President**

— Amendment No 23 by Mr Coppieters and others:

'11b. Calls for more specific information from the Commission about the selection and composition of the 'groups of experts' to be associated with the programme, and asks the Commission and the Council to ensure that in future scientists critical of plutonium technology will be consulted;'

— Amendment No 24 by Mr Coppieters and others:

'11c. Strongly insists that the Commission, in carrying out the programme, ensure that funds designated as being for research into the safety of the plutonium cycle should not be diverted so as to constitute a hidden subsidy to the development of plutonium technology;'

— Amendment No 25 by Mr Coppieters and others:

11d. Requests the Commission to adopt the following amendments pursuant to Article 149, second paragraph, of the EEC Treaty, and to redraft its proposals accordingly.'

What is the rapporteur's position?

**Mr Seligmann.** — Madam President, I am in favour of Amendment No 3, by Mr Ghergo, against Amendment No 24 and against Amendment No 25, by Mr Coppieters and, surprisingly, I am in favour of Amendment No 23, by Mr Coppieters.

*(Laughter)*

*(In successive votes Parliament adopted Amendments Nos 3 and 23)*

**President.** — I call Mr Jackson.

**Mr Chr. Jackson.** — Madam President, I wonder whether we might save a few moments if you gave instructions for the machine to be cleared immediately or a few seconds after each vote has been registered, so that you could declare the vote open immediately when a new vote was being called. I think that would save a few moments.

**President.** — After each vote it takes a certain length of time to register the names; in fact, it takes exactly three and a half minutes.

I call Mr Boyes.

**Mr Boyes.** — I will just raise this point while we are still waiting. Three-and-a-half minutes really is fantastic with modern computers. There are various systems, and one simple system these days is to put the names into store and print them out later. In fact, many systems do a lot of work during the day and do all the printing out at night. I asked last time for a report on

the working of this system and also on how the system had been ordered. Will you tell us at some time whether or not this report will be forthcoming?

*(Applause from various quarters)*

**President.** — Mr Boyes, I must tell you straight away that I know nothing about electronics, but I feel that if we were to delay the printing out of the names until later, we would run the risk of causing confusion between the different votes, and that could be very troublesome.

It was the old Parliament that selected and ordered this electronic voting system, having, I presume, fully informed itself on all the existing systems, their advantages, their prices, etc. If the committee responsible or the Bureau feel that a tender should be put out for a new electronic voting system, we shall do that. In any case, for the moment we must have this short waiting period between every two votes.

I call Mr Bangemann.

**Mr Bangemann.** — *(D)* I just wanted to say, Madam President, that the machine is working very well today and I would therefore ask the House not to criticize it, or it might change its mind.

*(Laughter)*

**Mr Coppieters.** — *(NL)* amendment No 25 is withdrawn, Madam President, because the annex has been dropped.

**President.** — On paragraph 12 I have two amendments:

— Amendment No 26 by Mr Coppieters and others seeking to delete this paragraph,

— Amendment No 38 by Linkohr seeking to replace this paragraph by a new text to read as follows:

12. Approves the proposed research and development programme on the plutonium cycle and its safety, subject to the above reservations.

What is the rapporteur's position?

**Mr Seligman, rapporteur.** — I am against these two amendments, Madam President.

**President.** — I put Amendment No 26 to the vote.

I call Mr Enright.



**Mr Enright.** — Madam President, you did invite us to raise any points of order during this hiatus. Could I perhaps be ruled out of order for raising a point of order on the trips that we take down the river? They do not return in time for the vote, and I think I ought to warn Members of this House that that is the case.

*(Laughter)*

**President.** — In this beautiful weather the delights of a trip on the Rhine make up for the embarrassment caused by returning slightly late.

Amendment No 26 is rejected.

I call Mr Linkohr.

**Mr Linkohr.** — *(D)* I withdraw Amendment No 38, because it no longer serves any purpose. Now that essentially all the amendments have been rejected, there are no restrictions, and we cannot therefore uphold this amendment.

*(Parliament adopted paragraph 12)*

**President.** — I now give the floor for explanations of vote.

I call Mrs Le Roux.

**Mrs Le Roux.** — *(F)* Madam President, the French members of the Communist and Allies Group have had an opportunity of expressing their agreement to international cooperation in scientific research. But scientific research cannot be used as an alibi for economic positions and partisan policies. We cannot ignore the international debate on the plutonium cycle or the course the United States wishes to dictate to maintain control of the production of fuels and nuclear energy in light-water reactors, which is dominated by the American-based Westinghouse company, with its French subsidiary Empain-Schneider. We for our part feel that the programme proposed by the Commission has a positive aspect, in that it attaches due importance to the safety of workers in the nuclear industry. At the same time, there appears to be an appreciable imbalance in favour of research relating to light-water reactors. The recent report giving an international assessment of nuclear fuel cycling, INFCE, concludes that no method of plutonium reprocessing is more dangerous than any other as a source of contamination. This, then, cannot be the cause of the imbalance to which I have just referred. Can we therefore achieve a European consensus to put a brake on the production of nuclear energy by breeders? This would once again be contrary to the independence of the Member States. We could not answer for any course of action which did not allow our country to make its own choice in the energy field.

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — *(NL)* Madam President, there are two reasons for my voting against the Seligman report. Firstly, because of reservations regarding the very grave dangers involved in the plutonium cycle, which I tried to emphasize in the many amendments I tabled. Secondly, my voting against the report has to do with our own dignity, the dignity of this Parliament, the influence this Parliament has and the lack of respect shown Parliament by the other European institutions. If we adopt the Seligman report, we shall be approving a five-year programme, under which a great deal of public money will be invested in something which remains highly controversial.

This is the second programme, Madam President, but the Commission has still not informed Parliament of the results achieved with the first. It may be, as Mr Seligman has hinted, that the outcome of that first programme was satisfactory, but we do not know this. We should like to make our own judgement. We want the appropriate committees of this Parliament to be able to discuss the subject very thoroughly.

The Council's attitude bears witness to the same lack of respect for Parliament, because the week after the debate was suddenly suspended here it discussed the Commission's proposals. The Council of Ministers took no account whatsoever of the views of this Parliament. If the Member States did not come to an agreement on the Commission's programme, it was for national reasons.

I shall vote against, Madam President, not only because of all the dangers inherent in the plutonium cycle, but also because we should be standing here today shamefaced because Parliament has been put in a very tight spot.

**President.** — I call Mrs Dekker.

**Mrs. Dekker.** — *(NL)* Madam President, I do not wish to be derogatory about the technical merits this programme undoubtedly has, but the only conclusion that can be drawn is that these proposals do not offer a generally acceptable solution to the enormous safety problems and risks involved in the plutonium cycle. Despite this, the programme now before us is based on the continued use and even the reprocessing of plutonium without any adequate safety standards being set. All the programme does is promote great safety or the limitation of risks, while no thought at all is given to the acceptability of the remaining risks and dangers. Another basic deficiency of this programme is that it completely ignores the danger of proliferation that is very closely connected with this subject. Apart from being one of the most poisonous substances, plutonium is very dangerous: with plutonium an atomic

Dekker

weapon can be made very cheaply and without a great deal of involved technology.

It is clear from the Commission's proposal that increasing quantities of plutonium are being produced in the Community. By the end of 1979 it was 15 tonnes a year, and this will rise to 90 tonnes in 1990. And it will be a great deal more by the end of the century, according to the Commission's predictions. It is therefore incredible that the programme does not have a single word to say on how it can be ensured that no plutonium is mislaid and gets into the wrong hands. One per cent of the plutonium stocks now held throughout Europe is enough for many atom bombs of the size dropped on Hiroshima.

Madam President, to conclude my explanation of why I shall be voting against this programme in its present form, I should like to make it quite clear that in itself it is a good thing for research and studies to be organized and coordinated at Community level, but the content of the programme certainly does nothing to alleviate the considerable concern felt about the continuation of the production of plutonium and nuclear waste, while there are no generally acceptable solutions to the problems connected with the use of this substance and the disposal of waste, and it does nothing to refute our objections, which amount to a rejection of the reprocessing of plutonium, in particular.

**President.** — I call Mrs Charzat.

**Mrs Charzat.** — (*F*) Madam President, I shall be voting against the Seligman report, because I have three principal objections to it. My first objection is a technical one and concerns the five points of the research programme and particularly point 5. On a large scale, the implementation of point 5 could result in its being impossible to keep a check on non-proliferation. Once we broach the subject of the plutonium cycle, it is not enough to raise the question of safety to show how important the proposed research programme is.

My second objection concerns finance. At 20m EUA, the budget for this programme is sizeable. Work of little importance does not warrant such expenditure, which is the same as saying it is a waste. For 7 or 8 years the sums spent on the research programmes of the European Economic Community have grown constantly, without any sign of a guideline for a Community energy policy.

My third objection concerns the cooperation agreements between Member States on the plutonium cycle. These agreements, covered by the nuclear trilogy, consequently invalidate the Seligman report.

**President.** — I call Mr Van Minnen.

**Mr Van Minnen.** — (*NL*) Madam President, there would seem to be almost no point in voting against the nuclear energy lobby here. But I should just like to say that in my view the adoption of the Seligman report — and this is why I shall not be giving it my vote — would mean stimulating the use of plutonium, here under the cloak of waste. What we are really talking about is reprocessing and breeder reactors in our new plutonium society. Accepting research — that is the packaging — would mean agreeing to complicity in this plutonium society.

The aim of the Seligman report is irresponsibly to spread the nuclear energy idea and irresponsibly to make an advance on the nuclear society. But we must bear in mind that there is as little chance of having a little nuclear energy as there is of being a little pregnant. It is, of course, a good thing to want to dispose of nuclear waste, but it ought to be merely a test after the nuclear reactors have been stopped. Otherwise, any research — and that, of course, is again the object — will promote plutonium energy and above all the plutonium economy.

In place of 'nuclear energy? Yes, provided that ...', the way out that has always been used here in such cowardly fashion, I would say loud and clear 'nuclear energy? No, unless ...'. The enormous sums of money this research costs could be better spent on the search for alternatives, new sources of energy, a search which has now come to a complete halt because of a lack of money. That is why I shall vote against the Seligman report.

**President.** — I call Mrs Viehoff.

**Mrs Viehoff.** — (*NL*) Madam President, on behalf of the Dutch Socialists — and you will appreciate this, because Mr Muntingh tabled his amendments on behalf of the Dutch Socialists — I would briefly like say that we shall be voting against these proposals. There is no need for me to repeat the reasons, because I cannot explain them better than Mr Coppieters has done. Please take it that I and we fully endorse what he said.

**President.** — We shall now go on to vote on the motion for a resolution as a whole.

I call Mr Coppieters.

**Mr Coppieters.** — (*NL*) On behalf of my group, I request a vote by roll call.

**President.** — I put the motion for a resolution as a whole to the vote.

**President**

The resolution is adopted.

*(Applause from some benches of the European Democratic Group)*

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**President.** — I put to the vote the *motion for a resolution by Mr Muntingh and others (Doc. 1-112/80): World Conservation Strategy*.

The resolution is adopted.

IN THE CHAIR: MR PFLIMLIN

*Vice-President*

**President.** — We shall now consider the motion for a resolution contained in the *second report by Mr Provan (Doc. 1-73/80): Sheepmeat*.

Mr Scott-Hopkins, do you insist on your request that this vote be postponed until Thursday?

**Mr Scott-Hopkins.** — The only reason why I asked for that, Mr President, was that I was aware that at lunch time today not all the amendments had been translated and circulated in all the languages. I am more than prepared, on behalf of my group, to go into the vote now, but it seemed that as the amendments had not been translated into all the languages, it might be difficult for colleagues in other groups using different languages. That was the only reason.

**President.** — I put this request to the vote.

It is agreed to postpone the vote until Thursday.

We shall now consider the *second report by Mr Sutra (Doc. 1-142/80): Liqueur wines*.

On the proposal for a regulation I have Amendment No 4/corr. by Mr Ligios and others seeking to reword Article 8 as follows:

1. The following article shall be added to Regulation (EEC) No 338/79: 'Article 16 c

Specific provisions on description and presentation may be adopted by the Council by qualified majority on a proposal from the Commission, for certain quality liqueur wines produced in specific regions with the following special production and manufacturing conditions:

- (a) vine varieties (minimum 90 % aromatic varieties)
- (b) maximum yield per ha limited to 40 hl
- (c) minimum natural alcoholic strength not less than 14 % vol
- (d) manufacture carried out by the producers themselves or by a group or association of such producers
- (e) addition of alcohol not to exceed 40 % of the total alcoholic strength of the liqueur wine in question.

2. *The Council, acting by a qualified majority and at the request of one or more Member States, may adopt specific provisions for other quality liqueur wines produced in specific regions by traditional methods and to which the criteria listed in the preceding paragraph do not apply.*

3. Detailed rules for the application of this Article, and in particular the special control measures, shall be adopted by the Council in accordance with the procedure laid down in Article 43 of the Treaty establishing the European Economic Community.'

I put the amendment to the vote.

Amendment No 4 is adopted.

*(Parliament adopted the preamble and paragraph 1 of the motion for a resolution)*

After paragraph 1 I have three amendments by Mr Curry:

— Amendment No 1 seeking to insert a new paragraph:

- '1a. Believes that the definition of quality liqueur wines produces in specified regions should include wines bearing the words "sec" or "dry" whose total alcoholic strength by volume exceeds 15.5 % vol, and whose sugar content does not exceed 40 grams/litre, thus including very dry liqueur wines traditionally marketed with a total alcoholic strength between 15.5 % and 18 %, as well as those other liqueur wines traditionally marketed with a total alcoholic strength over 18 %;'

— Amendment No 2 seeking to insert a new paragraph:

- '1b. Affirms that quality liqueur wines psr can also be produced using concentrated must of the same varieties, coming from a region adjacent to that producing the quality liqueur wine psr concerned, providing this practice is traditionally established;'

— Amendment No 3 seeking to insert a new paragraph:

- '1c. Believes that liqueur wines and quality liqueur wines in general may be put up for retail sale in glass bottles or in containers made of earthenware or a comparable material of a capacity not exceeding ten litres;'

**President**

(In successive votes Parliament adopted Amendments Nos 1, 2 and 3 and paragraph 2 to 4)

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

**President.** — I put to the vote the motion for a resolution contained in the *second report by Mr Buchou (Doc. 1-143/80): Wine market.*

As the result of the vote by show of hands was doubtful, I must ask for a vote by sitting and standing.

The resolution is adopted.

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**President.** — I put to the vote the motion for a resolution contained in the *report by Mr Gautier (Doc. 1-147/80): Fishing in the regulatory area defined by the NAFO Convention.*

The resolution is adopted.

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**President.** — I put to the vote the motion for a resolution contained in the *report by Mr Bocklet (Doc. 1-41/80): Breeding animals of the porcine species.*

The resolution is adopted.

#### 5. Decision concerning an interim programme to combat poverty

**President.** — The next item is the report by Mr Boyes (Doc. 1-75/80), on behalf of the Committee on Social Affairs and Employment, on the

proposal from the Commission to the Council (Doc. 1-596/79) for a decision concerning an interim programme to combat poverty.

I call Mr Boyes.

**Mr Boyes, rapporteur.** — Mr President, even those in this Parliament who are most devoted to the European Community must accept that it has an ugly, distorted aspect, to be seen in the ever-growing number of people classified as being in poverty? A recently-published symposium edited by Professor Vic George, *Poverty and Inequality in Common Market Countries, says in the introduction:*

It is a sad reflection that after twenty-five years of unprecedented economic growth and massive government expenditure on social security, poverty is still prevalent in all EEC countries.

Further, the number of people in poverty has been growing over these last twenty-five years, and the present economic crisis is leading to more and more people entering that pool. As we are aware, there is a relationship between unemployment and poverty, and throughout the last decade the number of people who are unemployed has risen to nearly seven million. Particularly terrible is the fact, established by specialized research, that amongst those seven million a large and growing part is constituted by our youth, who, if this present situation continues, will be doomed for perhaps the greater part of their working lives to live in poverty.

When all this is considered, it is not difficult to justify the call for an interim programme of work to combat poverty in Europe. Definitions and estimates of the level of poverty abound, but whichever one is adopted, the same message clearly emerges: the numbers living in or on the margin of poverty are dramatic and of such a magnitude as to be intolerable in one of the richest areas of the world. The Commission, for their report, have adopted the following definition of poverty:

Individuals or families may be considered in general to be in poverty when they have a command over resources that is so deficient that they are excluded from ordinary living patterns, customs and activities of the Member States in which they live.

I am sure that few people would dispute this definition, and adopting a similar definition in his recent study *Poverty in the UK*, Professor Peter Townsend found that in the UK alone 12.5 million people are living in poverty. Similarly, a cross-national study covering all Member States, *Perceptions of poverty in Europe*, shows that one in four respondents — more precisely, 28 % — estimated that their income was less than that necessary for people in their situation.

Within this vast pool of poor, there is a relatively static body of extreme poverty, sometimes described as the 'fourth world'. This is an apt description of a body made up of the most deprived groups in our society, those who, because of the workings of our resource allocation structures and mechanisms, are permanently excluded from the working of our system, which allows them little chance, through lack of access and resources, of escape or advancement.

It has been estimated that this body includes some 8 million people. Some say that the problem of poverty is the problem of the individual and that if the individual did something to help himself he could get out of poverty. But surely none of us in this Parliament will imagine that numbers of people ranging from 8 million to perhaps 30 or 40 million within this Community

**Boyes**

have actually decided to exclude themselves from the wealth and resources of the community. Of course not: their situation is a reflection of the kind of society we live in. Poverty is a function of capitalism; it is inherent in capitalism, it is part of a society of exploited and exploiters. Some have strong bargaining powers and skills that they can sell, but others, without that advantage, are doomed to a standard of living which we would find unacceptable. What is necessary, therefore, is political action by all governments on the economic front to find some solutions to the problem of poverty; but in the immediate, it is necessary for us to intervene and work with these people who are living below the standards we expect. Thanks to aid from the Commission, over 20 projects in all countries, international in character and varied in type, have been in progress over the last 5 years, and we must acknowledge the excellence of the people who have worked on them and the way many of them have sacrificed prospects of higher incomes if they had worked in other fields. I am asked to say that many of them are around the Parliament this week, should any one want to discuss with them the problems of poverty. What they have demonstrated is above all the need for further and continuing work in this field, and it would be tragic if at the end of this year there were a gap of at least two years before a further programme was launched, because this would lead to a loss of resources, of expertise, of continuity but, above all, of that understanding and confidence which these people have won from the poor amongst whom they work. It would be dramatically unfortunate if this, their greatest asset, were lost. Rather than destroy, we must build on what these people have found.

I agree that two years is a short period for this interim programme, but that does not necessarily mean that in that two-year period the projects have to be oriented on pure research. I urge that any new projects that are launched should aim at action among this mass of disadvantaged people and that real problems should be tackled. We must work with the poor, we must listen to the poor. The answer to social problems does not lie in solutions prescribed by middle-class academics; we must sit down together and work out solutions, and this can only be done by people interested in this field who work with the people concerned.

It is, therefore, absolutely essential that this Parliament supports this resolution asking for 9 million units of account over the next two years to finance this interim programme until a new, major and, I hope continuing programme of effort with the people living in poverty is launched. Many workers, not only in the United Kingdom but throughout the Community, feel that the Community is a failure, and this is one of the few ways in which the Community can demonstrate that it is prepared to do something for the poorer sections. The big advantage of this particular programme is that it is transnational, it works with people in all countries; in fact, I believe it is the only programme at the moment that covers each and every country in the Community.

Finally, Mr President, if this Parliament will not speak for these people, who is going to speak for them? These people, terribly disadvantaged as they are, are without doubt the group that is least able to argue for itself, the least able to fight for its rights and, because of the nature of our society, the least willing to fight for its rights; and so those who argue on their behalf must come from all strata of society, must be workers who have worked on the poverty programme or parliamentarians in our national governments. This European Parliament and its elected Members have a responsibility and a duty also to call insistently for a transformation of our society in the name of those who are most disadvantaged in the Community — the group of people that are living in abject poverty.

I hope, Mr President, that we shall have the unanimous support of all groups in this Parliament for this interim programme against poverty.

**President.** — I call Mr McCartin to speak on behalf of the Group of the European People's Party (Christian Democratic Group).

**Mr McCartin.** — Mr President, on behalf of my group I think I can support practically all that has been said by the previous speaker; on behalf of the Christian Democratic Group in this Parliament. I can support the request for an interim programme to fill the gap between the expiry of the present contract and the publication of the results of the programme since its inception four years ago.

I do not think anybody will deny that the European Economic Community has made considerable progress on the economic front in the last few years, and I think most people will admit that, on the social side, the number and quality of social welfare schemes and schemes of assistance in most Member States has almost matched and, in some cases, outpaced the increase in the earnings and standards of living of the vast majority of people.

I think we had come to the stage where economic planners and politicians had come to the conclusion that they had at last devised a system which gave equal opportunity to all citizens of the Community, a system which provided for the development of all our citizens, a system which had solved the social problems we have known in the past.

But the present economic crisis has underlined for us the fact that such a system has not yet been devised, that poverty is not something that is found only in the Third World and in the history books, and that in our present society there does exist a considerable amount of poverty, if not absolute poverty, then at least relative poverty according to the definitions accepted by the Commission and the European Economic Community.

**McCartin**

This poverty does exist, because there are sections of our population which have not the resources nor the ability to help themselves. It is also there because people believe it is there, because 12 % of the people of this Community believe that they have not got a sufficient income to give them the standard of living they think they are entitled to, because 4 % of the people in this Community believe they are poor, and because 2 % of the citizens of this Community see themselves as living on the lowest rung of the social ladder.

This is a situation we can only regret, but while people see things in this way, we cannot deny its seriousness. It is interesting to note that in Ireland, which has the lowest average income in the Community, only 6 % of the people believe they are poor, while in Britain, France and Italy the figures are 10 %, 9 % and 7 %. This underlines that poverty is a relative thing and is partly in the minds of the people so affected.

It could also be pointed out, from a study of poverty and its causes, that in Britain and Ireland the attitude and tendency of the vast majority is to attribute poverty to the failure of the individual himself, while on the mainland of Europe, and particularly in France and Italy, the attitude is that the State, the economic system, the people in power, are responsible for the situation. At any rate, poverty does exist.

If there is any lesson to be learnt from the rapid economic growth in the last ten years in this Community, it is that expansion of economic activity does not solve all our problems. Social justice does not just happen. It is something that must be sought after, planned for, worked for and legislated for, and there will always be people within our Community whose rights must be protected by legislation from the ambitions of other sections within our Community. This is something we cannot ignore.

Broadly speaking, poverty is to be found in three different areas; it is to be found in the individual who for personal reasons is in a disadvantaged position, whether from ill health, size of family or whatever. This is the personal poverty you can find anywhere.

Then you have the pockets of poverty which exist in under-developed rural areas, in badly planned towns and cities throughout the Community, and, finally, you have poverty on a wider regional level. This is a poverty we cannot ignore because within this Community citizens of each area know how the citizens in other areas exist and live, and if this is to be a European Economic Community the poverty of a region is as much a case of poverty as is a pocket of poverty in an urban area or the poverty of an individual.

In the present economic crisis we can all see that the problem of poverty is accentuated, because when profit margins shrink, costs increase and standards of living are threatened, the strong always fight to main-

tain their position and the weak always suffer. It is particularly important that we should re-dedicate ourselves to the task of solving these problems at the present time.

We should also consider the people who have devoted the last four years to this problem, the 400-500 people throughout Europe — 70 people in my own country — who have acquired skills, who have devoted a considerable amount of time, who have developed an ability to study and solve these problems. We must ask ourselves what will happen to these people in the interim. I support rapporteur Alan Boyes when he asks for the position of these people to be considered so that their talents should be not allowed to go to waste, so that they may be given an opportunity to work for the next two years on action programmes. I would ask Parliament to consider this carefully and to support our plea that the internal programme be retained.

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

**Mr Oehler.** — (F) Mr President, may I first of all draw attention to the fact that there is an exhibition on poverty on the ground floor of the Palais de l'Europe.

There is poverty in Europe. This may seem a trite statement, but behind it is a terrible condemnation of our Western society. Poorly housed, badly cared for, largely illiterate, different, misunderstood, unwanted — it is these qualities that characterize the people of the Fourth World. How many of them are there in Europe? Eight to ten millions. Whatever the figure, it is staggering, especially for us who ought to be continually striving to improve living and working conditions in the Community and who are wrestling with the problems of food surpluses in Europe! How can we remain indifferent when confronted with the results of a Commission survey which shows that 11 % of Europeans say they have to economize on food, 28 % consider that their income is less than appears necessary and 10 % — or, one European in ten — regard themselves as poor. One cannot help contrasting the enormous squandering of our natural resources, our expenditure on defence, with the abject poverty of children and adults, the shantytowns, the slums, the transit houses, and not forgetting the poor agricultural regions. The opulence and comfort of some and the destitution of others, there you have another face of our Western society!

I can already hear some people saying that poverty is a fringe phenomenon in our society, and that what I have just said might lead one to believe that it is much more widespread. Well, as I see it, poverty in Europe is not a fringe phenomenon; Europe's poor are not just the people of the Fourth World, but also the six million unemployed in the Community. I include also those workers, and women and young people in parti-

## Oehler

cular, who are earning less than the minimum wage, and all those who do not have even the minimum means of subsistence, like the farm workers and the old people. I am referring to those whose income is below the statutory minimum wage and who number over four millions in France alone. Lastly I have to tell you — still with reference to France — that the number of households suffering deprivation to the point where they have to hand over the management of their finances to a social welfare officer has risen by 10 % in five years.

Of course the numbers of the poor have risen with the hardening of the economic crisis, and they are continuing to rise: the unemployed, receiving little or no benefit, young people looking for work, temporary workers, short-time workers, workers on short-term contracts, workers paid below the minimum wage, people on public assistance, and so on. Poverty is becoming a permanent feature of our society and this is serious, indeed it is extremely serious, because with our present rate of economic growth we are in no position to give any assurance that poverty will disappear in the foreseeable future. What we can say with certainty is that the poor are getting poorer while the rich are getting richer. What we really need is for our Member States to have the political will to combat poverty. The Community programme to which the Socialist Group has pledged its support, being in the nature of a pilot project and operating on a modest budget, should serve to remind us, if we need reminding, that there is still a long way to go and that it is incumbent on all of us to do everything in our power, both on a national and on a European level, to stem the tide of poverty that is threatening to engulf us.

It is with this in mind that I am tabling, with my group's backing, my Amendment No 2, which seeks to add new paragraphs 6a and 6b to the resolution tabled by Mr Boyes. I shall read them out to you quickly: 6a. 'Calls on the Member States to make every possible effort, using legal, economic and social means, to combat poverty.' 6b. 'Requests the Commission and Parliament's Committee on Social Affairs and Employment to monitor national schemes to combat poverty and to report to Parliament thereon.'

In conclusion, I should like to draw your attention to an extremely serious source of aggravation that came to light during the implementation of the Community programme to combat poverty. It can be blamed on inefficient administration, red tape, the need to submit a preliminary application and a final application, which every time have to be authorized and approved by local and central authorities and ultimately by the Commission in Brussels. As a result of this lengthy and complex procedure some projects provided for under the Community programme to combat poverty have never come to see the light of day. Some associations have taken on staff in the expectation of Community funds and have then had to let their staff go. I also object to the procedure under which the associations

are expected to complete their projects by taking out loans, before being reimbursed at the rate of 50 % from Community funds. To prevent a recurrence of these tiresome practices I have tabled my Amendment No 2, with new paragraph 6c, which reads as follows: 'Suggests that pilot projects under the Community's programme to combat poverty should be defined more closely than in the past, between the beneficiary associations and the Commission, and that assistance should not be related to the expenditure incurred but should be granted on the basis of the project accepted and at the beginning of the operations so as to eliminate the need to resort to private or public loans before Community subsidies are paid out.'

## IN THE CHAIR: MR ROGERS

*Vice-President*

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

**Mr Spencer.** — I am pleased on behalf of my group to welcome this report. Perhaps I might personally welcome also the statement by the rapporteur, which I thought was eminently responsible. I am glad that the committee system of filtering out ideas has worked so well in this particular instance.

When we are dealing with the question of poverty our case is not helped by over-statement. There are pockets of poverty in our society and it is our duty to do what we can to deal with them. But I think attempts to define poverty in percentage terms is quite literally a case of chasing our own tail. Unless, that is, we are to have a society where we all earn exactly the same. The evidence of such societies when we look round the world is that in those societies everybody is poorer. On the projects themselves, I would admit to this House that I had some reservations when we discussed the matter in October, so together with colleagues I went to look at those under way in the United Kingdom. I was very impressed. They are substantially on a voluntary basis, carried out by volunteers. They are primarily helping people to help themselves and a lot of them have the side effect of taking the strain off overstretched social security systems. I trust that whatever new projects are brought forward will be in a similar mould over the next two years.

It is therefore essential that these projects should continue — at least the poverty programme itself should continue — and there should be no hiatus. But equally we must not abandon the concept of a time-scale for our discussions and exploration of the problems of poverty. No one is suggesting a wholesale transfer of the social security systems of Europe to a

**Spencer**

European level and we should not begin to fool ourselves that these projects in any way perform that role. They will only be of wide and lasting use if their experience is studied and their wisdom spread. That means that successful schemes must be taken up at national level once the period of Community funding is over. This Community will have provided the seed-corn but it is our duty to make sure that the harvest is reaped at national level. So on behalf of the group I am pleased to welcome this report.

(Applause)

**President.** — I call Mrs Poirier to speak on behalf of the Communist and Allies group.

**Mrs Poirier.** — (F) Mr President, as Mr Frischmann has been urgently called away to Paris I hope you will allow me to speak in his place.

The problem of poverty is so vast and in many ways so distressing — as everyone is quick to point out, and there is no shortage of examples — that to combat it effectively and gradually to eliminate it would require fundamental changes in the economic and political order. Inevitably, we believe, the Community programme recommended to us by Mr Boyes in his report and in the motion for a resolution under debate, while having our support, is very limited in its scope and has, in our view, a very narrow perception of the phenomenon of poverty in the Community. It must be quite clearly understood that neither the expenditure of a few million EUA on a few pilot projects nor a further series of academic treatises on poverty is any substitute for a meaningful social policy.

In this respect, the policies pursued by each of the Member States, characterized by an austerity that draws its inspiration largely from Community initiatives, have tended, if anything, to spread poverty and insecurity among a growing number of families. That is why, in fact, we consider trans-national programmes to be of doubtful value.

To the twelve million poor in the United Kingdom mentioned by Mr Boyes we need to add a slightly greater number for France, and estimates on the same scale are valid for each of the Member States of the Community. It is generally accepted that we are talking of one family in four and that, in the other countries, a further one family in four is at the extremes of poverty and in certain regions the situation reaches disaster proportions. A case in point is the island of Réunion, where 300 000 out of the 500 000 inhabitants are below the poverty level and unemployment stands at 60 %.

The Commission, although obviously not pointing to the real cause of this situation, has nevertheless recognized it itself since, in its proposal to the Council for

the adoption of an interim programme, it admits that there has been no appreciable fall in the level of poverty in the Community and that it has in fact risen since the launching of the first programme. This is tantamount to an admission that the specific measures introduced have been ineffective. As for the reasons given — the crisis brought upon us by a malevolent fate — they do not hold water in our view because, if that is the case, what exactly is the crisis? Its real roots are in capitalism, which is the basis on which our society functions — Mr Boyes said as much a moment ago — and which allows the few to reap huge profits and the majority to languish in increasing poverty. No less a scandal in such a situation is the enormous expenditure on defence, which is no stranger to capitalism either, for political reasons, but also because armaments are a source of considerable profits for some.

As for the solutions, all the declarations and the promises made since the European Community came into being remain unfulfilled, as with all declarations of good intent and promises. Just think of all the things that were said or written on the eve of direct elections to this Assembly last year about the possibility of these measures leading to a social breakthrough! Well, faced as we are with low wages whose purchasing power has been knocked for six by inflation, with the humiliation of relying on social security, with unemployment, we cannot expect people to wait for charity, we have to fight! And it is unfortunately the old people, the unemployed, the handicapped, single mothers, immigrants and many others who bear the brunt of the crisis and who find it most difficult to organize themselves or to fight back.

We do not believe, therefore, that any durable solution to the problem of poverty in Europe can be found in the framework of the policy being pursued at the moment, which consists in restructuring, redeployment, integration and austerity. That will not of course prevent us from supporting any measures that might help to ease the burden of some people. In that spirit we shall therefore vote in favour of Mr Boyes' report and argue for one or two amendments.

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

**Mrs Nielsen.** — (DK) Mr President, the report on an interim programme to combat poverty drawn up by Mr Boyes is, in the opinion of my group, a very bad starting-point for a debate in this House. In fact, I might call it a 'poverty-stricken' report. Naturally we in the Community should do what we can to combat poverty, but we need to define it more clearly than we have done up to now instead of talking in *clichés*.

We must look at what has happened since measures were adopted in the Council in 1974 to set up a



## Nielsen

programme on an experimental basis to combat poverty. Of course it is necessary to have intentions. And it is also absolutely essential to direct these intentions towards specific goals. And this could have been done with the appropriations earmarked for the various projects. But what about the results? Well, even in the documents we have seen it is acknowledged that up to now there have been no tangible results. This is why the Commission is proposing some measures to cover an interim period of a few years, that is from 1 December this year until about two years later, when it is hoped the Council can come up with some results and conclusions.

I have to admit I am somewhat doubtful about whether these different projects are all that sensible and well thought out, precisely because they are dragging on and look like dragging on for some time. I feel that, if one knows beforehand that something will take time, then that should be allowed for, but if something is begun which is supposed to take a short time and then, when that time has passed, it is realized that more time is needed, so more appropriations are made available and then it turns out that even that is not long enough to produce results, then I am somewhat perturbed, because it suggests that we do not really know very much about what it is we are aiming at. It seems to me we have been over keen to implement measures without really thinking them through and also without really having thought what we hoped to achieve thereby. I do not think it serves any useful purpose to implement something on a theoretical basis if it produces no practical result. At the same time, I am fully aware of Parliament's duty and responsibility to give help where help is needed, but I have the impression that over the years there have been people who, in dealing with this delicate matter — and it is a delicate matter — have acted without taking time to analyse it carefully and perhaps come up with criticisms, for fear of being labelled antisocial. I have always contended this is something one should take one's time over and I cannot see that this means one is being inhumane, on the contrary. Instead, other speakers have been anxious to demonstrate their great concern for their fellowmen and supported these proposals uncritically. I, however, think that we in Parliament would be well advised to say that we still need a definition of the term 'poverty'. As I have said, we get one definition after another: the Commission has its definition, the Council has its definition and social scientists have various other definitions. To be 'poor' can mean many different things.

Moreover, I do not think either that we should uncritically agree to use funds to extend projects or set new ones up, before we are quite sure that we shall achieve reasonable results from them, because they ought eventually to lead to employment for those involved in these projects. The idea should be to help those who need help.

I do not believe it will enhance our reputation to approve such and such a measure if it then turns out

that the results are not really terribly good. I also question the truth of the assertion in the motion for a resolution that if a programme to combat poverty is not financed in the interim, Community action in this field cannot be considered complete. We can just go on like that! I do not underestimate what has been done — I simply do not know enough about it. What has been done? I am merely saying we can go on like that indefinitely: 'We aren't ready yet, we haven't got far enough, we must start a fresh scheme...' When are we going to get any definite results? Whatever subject we may be dealing with, I am always suspicious of the cry, 'We need more time, we need more money.' There is no end to that. I believe most strongly that being poor does not always have to do with money and it cannot always be dealt with by financial means. If there are people scattered about our Member States who are regarded as poor by some, I always ask myself: Even if these people do not earn as much as the average or as much as is assumed to be necessary to maintain an average standard of living, does it mean that these people are poor in spirit? Does it mean they cannot live a life worthy of human beings? Because you cannot buy everything with money. I simply do not believe you can compare poverty in the sense of impecuniousness with mental poverty. For anyone who believes you can buy everything with money, is devaluing human existence and it is precisely here that we see the crucial difference between a Socialist and a Liberal attitude to people.

If the discussion in our committee on this subject was so unsatisfactory and the report we are dealing with today is so poor — we quite simply toned down the conclusion, as Mr Boyes will certainly remember — this is because in our view Mr Boyes as rapporteur used this extremely serious subject, of people who for one or other reason, perhaps a combination of reasons, are in need and therefore need to be helped, to launch an ideological attack on a society which he despises. We have been treated to the same smears again today. This capitalist society is to be blamed for the fact that there are people who are in need. It is the rich who exploit the poor, and so on. Mr Boyes with this kind of talk we just ruin any attempt to discuss this extremely serious matter. For us Liberals, the individual is what matters and we try to give help and support where it is needed. That is the kind of help and support we would be glad to endorse and devote our energies to.

Let me conclude by saying that a precondition for every individual to be able to live a decent life is that individual help should be given at the outset. Every individual human being should have a basic knowledge on which to build; and those who lack this in later life must be given other forms of help geared to their particular needs. This is good Liberal policy.

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

**Mrs Dienesch.** — (F) Mr President, undoubtedly one could challenge some of the definitions and some of the methods. It is precisely by trying to arrive at a deeper understanding of these two aspects of the problem that we can best tackle the problem itself.

Let us deal first with the definition: 53 % of the citizens of Europe, proud though they are of their social legislation, live in ignorance or disregard of 8 million of their fellow citizens. That is a fact. No one can deny that this in itself constitutes a problem.

How to define those that we call poor? The word 'poor', in fact, as the previous speaker said, is perhaps inadequate. Although, generally speaking, the people of the Fourth World are among those with the slenderest resources, what characterizes this poverty of resources is a sense of humiliation and isolation from their fellow beings experienced by people who are perforce denied their normal place in society. In every country, therefore, they do not fit into any of the classifications that serve so often to salve consciences. The abstract idea that some people conjure up of them is very far removed from the reality of everyday life of these families. I believe we should also beware of lumping them together with such social categories as the aged, the handicapped or the unemployed, who are certainly very disadvantaged. But the people of the Fourth World are also distinguished by their inability to get together, to obtain a hearing, to form pressure groups or mutual protection groups, or to demand their rights.

Now, as long as we are prepared to tolerate the existence in Europe of people so far down the social ladder, we cannot talk about respect for human rights — which, after all, Europe has a duty to protect and to promote. And so we have an urgent task on our hands, a task that we have to undertake with only very slender resources. Having dealt with the problem of definition, I come to the problem of methods. It is not for us to interfere with national programme or to take over the responsibilities of national governments. But where there is a real gap, as in this area, we have an obligation to see that we gain a better insight into the problem and to search out the best methods which, having been put to the test in all our communities, could provide inspiration for all our countries. Thus, after five years or so we should be in a position to begin drawing up some guidelines.

Ireland and France have led the way — and, incidentally, I was extremely sorry to hear one of my colleagues point an accusing finger at France. Ireland succeeded in creating a very good central organization. France set up, on a limited scale admittedly, child care centres catering for the health, schooling and for various examinations that these children might be asked to take. I am privileged to have been associated with promoting this idea to help children. These centres are able to house under one roof all the social services responsible for children and to identify at a

very early stage these poor of the Fourth World before the traumatism has become irreversible.

I believe these are all very important points to remember. I wish to say one last thing. We must of course continue with our surveys, side by side with carefully chosen pilot projects. These surveys will not only help the poor, they will enable us also to encourage measures that will help our society to improve its structures and the quality of its social programmes. They will provide a welcome contribution in many ways.

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — (NL) Mr President, Mr Boyes' report and the resolution on which we will be voting in fact represent an urgently needed emergency solution. What we are concerned with is the rescue of a number of very valuable, if modest, pilot programmes to combat poverty in our own wealthy European countries. The funds requested are also extremely modest. The rapporteur has himself rightly drawn attention to this. We must obviously find these funds. I assume that Parliament will be approving these resolutions with enthusiasm. We must express our admiration and our thanks to those directly involved in the various countries. They do not try to patronize the poor, but to involve them in everyday life again. This does nothing to alter the fact, Mr President, that the European institutions, including Parliament, are confronted with a phenomenon — poverty — of which only the symptoms, not the causes, are visible. The European Parliament must conduct a thorough and comparative examination of the cause of poverty in our rich countries. I would refer the House to a shining example of an analysis of this kind, that carried out by Leonel Stoleru in France in his remarkable report *Vaincre la pauvreté dans les pays riches*, published by Flammarion. This study was made on behalf of the French Government and should serve as a model for a comparative analysis in the nine Member States. If in Belgium, for instance — I will take my own country as an example — assistance is granted to old people to give them a monthly income of Bfrs 9 000, it means we are talking about old people living under a disgraceful legal system. Whether we like it or not, we have to do here with the social legislation of the various countries, the pension systems. If the guaranteed minimum income in Belgium is Bfrs 9 000, what we have here is legalized poverty. If, as it is said, the fight against poverty is connected with rising unemployment generally and among young people, it is surely obvious that what we are confronted with here is not only the fight against poverty, but also employment policy and so on. I know, Mr President, to question the value of the economic growth that made the West so rich, the Golden Sixties, does not sound pleasant. It is rather like the question of nuclear energy: it sounds as if I want to go and join those simple supporters of zero

## Coppieters

growth. But it cannot be denied that the general and unprecedented increase in wealth has not banished poverty from our nine countries, nor could it have done so.

This sounds pessimistic, but that is the way it is. What is new, Stoleru says in the report I have referred to, is that we now have the means to banish poverty from the Western countries. He describes the methods that should be used, and I urge that they be used in a comparative study. The European Community's study must be directed at achieving a relationship between three factors: moderate growth — not zero growth — employment and social security, because combating poverty has everything to do with social security. A comparative study of this kind is urgently needed. Mr President, ladies and gentlemen, I therefore venture to ask that we not only give this emergency solution the support it deserves, but also undertake to initiate both a study of better methods to combat the symptoms and a study of the causes of the persistent poverty around us, and we are regarded throughout the world as rich people.

**President.** — I call Mr Buttafuoco.

**Mr Buttafuoco.** — (I) Mr President, I am grateful for this opportunity to express my views on behalf of the Italian Right. May I say, first of all, that we fully support the Commission's proposal for a Council decision concerning an interim poverty programme, especially in the light of the fact that the Council's Working Party on Social Questions is currently conducting a study on the subject. The fact that we have not hitherto seen any significant results must not deter us from returning again and again to a matter that should underlie all our aspirations, that should be our constant concern and to the solution of which we should unremittently devote our attention.

Poverty, however you choose to define it, is a terrible scourge of humanity. It places a mortifying and humiliating barrier between a broad section of the population and the rest of society, denying them the benefits of progress and the innumerable instruments that it has placed at the service of man. We find poverty among the unemployed, who are increasing in number all the time. We find it among the underemployed, among those that live by moonlighting, among the handicapped, among young people pursuing their studies, diplomas and degrees that society will not allow them to make full use of. Unquestionably poverty afflicts the whole world, every society, the Fourth World, and the Third World. But do we not also find it in industrialized societies, in the towns, cities and suburbs, and in the slums; indeed in those industrial towns where workers are unable to find decent housing to shelter from the harshness of the weather and the burthens of life?

Of course we have to accept Mr Boyes' report, inasmuch as he is familiar with the problem, but we cannot go along with some of his class-based remarks which certainly spoil his argument if it is true, as it undoubtedly is, that poverty is not the product of either a capitalist or a totalitarian system. There is poverty everywhere in the world and it is a problem that every country and every government has to come to terms with, and we must cooperate on that basis. There is a distinction between poverty and deprivation, and for this reason we are steering clear of political invective, but we want anyone and everyone who does not have the essentials to live and work to be given a better opportunity to look after himself.

We are delighted to see such a convergence of opinion among the Member States — leaving aside the reservations expressed by the German Members who fear that the fight against poverty might become institutionalized — and we are confident that agreement can be reached. We also agree that 1982 should be the deadline for achieving the priority objective of supplementing our knowledge of this grievous affliction for humanity. We hope that we shall then be able to proceed from research projects to action programmes and to a careful study and appraisal of the results achieved. On this basis I confirm our approval of the proposed Council decision and of the Boyes report.

**President.** — I call Mr Prag.

**Mr Prag.** — Mr President, I hope it won't be thought from what I am going to say subsequently that I am entirely in agreement with our Socialist colleagues on the other side of the house — I am not in agreement, for instance, with the huge statistical exercises in how many poor there are. The very fact that the Fourth World Organization says there are 10 million, that Mr Boyes said that one definition provides a figure of 12 ½ million, another a figure of 50 million in the Community, indicates in my view the tenuous nature of this sort of statistical exercise. Nor indeed do I agree with Mrs Poirier's usual Moscow-oriented claptrap about military expenditure being related to capitalism. My goodness, how on earth does she think that the Soviet Union has managed to undertake the largest armaments programme in the history of mankind with a system entirely unrelated to capitalism?

However, on this programme at least, on the narrow scope of this programme, we have a very great deal in common. I would like to point out that poverty and deprivation are not the same thing, and I believe that there will always be an element of deprivation regardless of poverty. Even in the richest societies there will still be those who are unable to bear the weight of the world and the tensions and indeed the increasing mental demands of modern society, those who are mentally or constitutionally ill-equipped and give up. These people, just as much as those who are below the

**Prag**

poverty line, need our attention. Compassion is, and I believe always has been, an essential part of conservatism, and I hope that we, in our Group, will always defend the rights of those who genuinely need help. We are indeed particularly impressed by the element of self-help in the poverty programme projects and also the fact that most of the projects are concerned with organizations which fill, by voluntary means, the gaps in the national and local systems of social welfare.

Now we in our Group do not believe — and Tom Spencer made this very clear — in an endless pot of gold, but this is a very modest programme. It is a programme consisting of six transnational studies, which are essentially research projects, and a much larger number of small-scale action research projects. Those of us who have had the privilege of seeing and hearing about some of those action research projects could not fail to be impressed by what was being achieved with very small resources. I believe that it would be the greatest of pities if those action research projects had to be abandoned now at this very early stage because of a lack of continuing Community funding. The lessons are still being learned. I strongly support Mr Boyes' report and I strongly believe that Community funding must not at this stage disappear.

**President.** — I call Mr Calvez.

**Mr Calvez.** — (*F*) Mr President, I would like to begin by voicing my disappointment at the fact that, until this morning, I was unable to get hold of a copy of the final version of Mr Boyes' report. I believe this Parliament also needs to give some attention to the conditions in which its Members have to work.

Whilst the situation of people in difficult financial circumstances merits our attention I believe that, in countries that regard themselves as being socially developed, we need to adopt a more realistic approach to a problem of such obvious importance. It is the easiest thing in the world to blame governments and employers for the reportedly accelerating deterioration of the workers' situation. I believe, however, that success in the fight against poverty in the Member States of the Community will be achieved by effective action and not by any invective against the capitalist system of governments. Every country in the world has its poor, regardless of the political complexion of the government in power, and everyone here knows it as well as I do. Poverty is both an individual and a global phenomenon. It is an individual phenomenon when a person or his family is deprived of an income as a result of bereavement or loss of employment, and it is a global phenomenon when it manifests itself in developed societies in the form of a more or less broad stratum of poor families that frequently remain in a state of poverty from one generation to the next. In both cases any effective policy must be based on measures to deal with incomes on the one hand, and

with infrastructures on the other. The programme of pilot projects launched by the European Economic Community is based on both types of measures. What we need to do now is to evaluate the measures currently being implemented and to see what lessons can be learnt for the continuing fight against poverty in Europe. Political and trade union organizations, without exception, have helped to improve the standard of living of those suffering multiple handicaps — the poorly housed, the sick, people in need of vocational training — who often live in zones lacking social and cultural infrastructures and whose children have a poor or inadequate education.

The current programme of specific measures to combat poverty runs out on 1 December 1980. We believe it is vital that, while the Council is examining the Commission's general report, with its evaluation of the results of its poverty programme, we continue with the measures we have begun.

How many poor are there? It is possible to establish the number exactly? I heard Mr Boyes quoting figures at a press conference ranging from eight to fifty millions, as Mr Prag pointed also out a moment ago. That is the first question that needs to be asked: Can the Commission improve its statistics?

And what is the best way of approaching the problem of poverty? In many countries the old-age pension has been raised. It is financed, let us not forget, by the taxpayers. The raising of low wages is undoubtedly an integral part of the fight to reduce inequalities. It is preferable to a proliferation of social security benefits which tend to create or perpetuate a welfare mentality. Equal opportunity in education is surely one of the best ways of giving the children of Europe an equal start in life.

Is the fight against poverty compatible with long-established international constraints? The answer must be yes, because the sacrifices expected of everyone will be more acceptable if they are more fairly shared and the underprivileged can see that their plight is being recognized and something is being done to improve their lot. It must be said that an underprivileged population, far from contributing to the general development of society, is in fact a drain on it because it is the underprivileged that tend to fill the hospitals, the hostels, and of course the prisons as well. The sums spent on these institutions would be better used to promote the well-being of the population.

I believe we need to concentrate on the causes, and the pilot projects must be oriented accordingly. Any research projects funded by the Community must be aimed at promoting self-help among the poor and their families in the Member States. What I find intolerable is that an individual should be condemned to a life of poverty just because he was born poor. If we are to win the battle against poverty we have to mobilize everyone willing to help, and there is no shortage of

Calvez

such people at every level of our society. The teams set up since 1975 are today quite capable of carrying through any new Community pilot project that might be indicated on the basis of an analysis of those phenomena of poverty in the various countries of the Community that were not given sufficient attention under the current programme or that require an extension of the project by contact on a day-to-day basis with the very poor. The studies have been completed, and now I believe it is time we moved on to achieve something positive.

*(Applause)*

**President.** — I call Mr Christopher Jackson.

**Mr C. Jackson.** — Mr President, whatever the statistics may be, the fact is that there are many people in need in Europe. For a number of years I had the privilege of working with the famous social service unit of St. Martin's-in-the-Fields in the heart of London and I met there the drug addicts and the alcoholics, the unemployed and homeless and inadequate. They were mainly members of Europe's fourth world — the club, if I may call it that, of some 5 to 10 million members of the extreme poor in our Community. At first I thought they must bear a heavy responsibility for their own plight. Some do, but they are mainly overwhelmed by adverse circumstances, trapped, in fact, in a vicious circle of poverty. In Reims, the city in France which is twinned with Canterbury in my constituency, the Community is supporting a pilot project bringing the extreme poor of that town together with more fortunate citizens in order to help them help themselves. This project is working; it is helping the poor. The amount of money involved in it is absolutely tiny. Indeed, the whole amount of money involved in the Commission's proposal is small, but it is a proposal totally within the spirit of the Treaty of Rome. It sees the Community working to find out how we can help the poor of our Community and, as such, it is thoroughly worthwhile and deserves the overwhelming support of this House, which I hope it will get.

**President.** — I call Mr Newton Dunn.

**Mr Newton Dunn.** — Mr President, I watched very carefully when Mr Boyes and Mrs Poirier spoke. They were not wearing hats, Mr President, but they certainly try to talk through them. Both of them said that poverty was a function of capitalism. What a blinkered opinion! Open your eyes, Mr Boyes, look around the world! Unfortunately, poverty is something that we find in all parts of the world under all political systems and even in those countries which cannot afford a political system at all. Poverty is a universal estate, and we should all recognize that fact.

Secondly, I listened to Mrs Poirier railing on about armaments. What nonsense! What a disfigurement upon the important subject that we are debating! No, Mr President! What we need is less of these irrelevancies and more sensible research of the kind proposed by the Commission. I would like to recommend to it, in particular, research into the poverty that repeats itself from one generation to the next, where a father becomes poor and is unable to support his children and the only thing they learn is poverty and they do not learn how to get out of that trap. That is a terribly important subject for research, and I commend it to the Commissioner listening.

Finally, Mr President, I would like to quote a famous Prime Minister who, had he been sitting in the European Parliament, would have sat on this side of the House. He said that we have never had it so good, but the second part of his quotation, which is never repeated, was: we have never had it so good, but we must never forget that some of our people do not share in that prosperity. That is the attitude that this Parliament and the Commission should be adopting.

**President.** — I call Mr Paisley.

**Mr Paisley.** — Mr President, Northern Ireland has more people on the poverty line or below it than any other part of the United Kingdom. Therefore I welcome this report because of the good work already done through the money that has come from this Community to Northern Ireland. There is a double project that has been most helpful to Northern Ireland. The first part of it was spearheaded by Professor Griffiths of the New University of Ulster who made a study of Northern Ireland's voluntary social services — that is, people engaged in a voluntary capacity. It may interest the House to note that there are 700 voluntary organizations in Northern Ireland, all doing their bit in this very vital field; 70 of these organizations alone have 160 000 volunteers. So the House will note that the people of Northern Ireland are deeply involved in this scheme. Professor Griffiths published the results of his investigation in a very useful book entitled 'Yesterday's Heritage or Tomorrow's Result'.

The second component of this scheme in Northern Ireland is an investigation made by the Central Economic Service which has indicated the real poverty places in the urban community. The British Government was so impressed by the results of this investigation that it was prepared to provide a multimillion pound grant to help in alleviating the poverty in those areas. So this scheme has been most helpful to Northern Ireland. I believe the key to its success is that it has been a help towards self-help by encouraging the people in those areas to get involved in their own plight.

## Paisley

At the moment four areas of Belfast — Turf Lodge, Tullycanna, New Lodge and Ballymacarret — are receiving help. These cut across the religious divide in the city of Belfast. I wouldn't like to see those areas being deprived of the help that they are receiving at the present time. Advice centres are being operated, a different benefit is studied each month and a door-to-door survey made concerning that benefit. It may interest this House to note that in the areas that have been studied, 252 of 320 checked interviews showed that people were unaware of the benefits they could receive through the welfare schemes. So I would commend this scheme to the House. I don't want to enter into any debate about the reasons for poverty. It exists, let us tackle it. I welcome the job that is being done and I hope that with more money we will do an even better job.

**President.** — I call Mr Vredeling.

**Mr Vredeling.** — (NL) Mr President, I will begin by expressing my gratitude for the fact that no one in Parliament has really spoken against the programme we have established. Some less than wholly favourable comments have been made, but the fact that we have set up and are continuing to develop such programmes in the European Community has been approved by almost all the political groups. I should also like to join in the words of praise expressed by various Members for the people directly involved in these projects, the people who, as Mr Coppieters has said, do the work on the spot. We cooperate very closely with the people who are working on the spot and who are in close contact with the section of the population that is in such dire straits.

One of the reasons why we are now putting forward a proposal for an interim programme is that we do not want to abandon the knowledge that has so far been gained in this area in the projects we are helping to finance. It is unacceptable that there should still be large numbers of people living in or on the margin of poverty, large numbers, millions of people. I have been asked how many, and I shall be commenting on this in a moment. These people are living in poverty at a time which — despite stagnation of economic growth — can generally be described as a time of prosperity, certainly of relative prosperity when compared with the rest of the world. Nevertheless, we have poverty in the Community because, as Mr Boyes says in his report, poverty is a relative term.

Poverty is a relative condition. And we are concerned with people who feel poor and must be regarded as such, whatever their absolute standard of living might otherwise be, if a shortage of money cuts them off from the patterns of living in the society in which they live, if they are marginal, as it were, or have become drop-outs, mostly in large cities. It is a phenomenon which occurs in all communities, both in cities and —

as Mr Paisley has just said — in the country. Poverty is not something for which we can blame just one social system, because all the various social systems we know in fact have sections of the population who are at a disadvantage and lag behind. I could not name any society in the world, with the possible exception of some South Sea island (and even then we would have to go and have a closer look), where poverty does not occur, because — I repeat — poverty is relative.

Mr President, requests have been made in various quarters for comparative studies. We are already doing this. Our projects include comparative studies. And in this connection I should like to thank Mr Coppieters for his stimulating remarks regarding the book written by Mr Stoleru, the French State Secretary. Some years ago Mr Stoleru attended a seminar held to discuss our programmes, at which I was also present. I can therefore but agree with what he had to say.

It has been asked what the Community can do to bring about a change in the present adverse situation with regard to poverty. To begin with, I should point out that we must be under no illusion about what we might achieve at Community level. We have a programme which may provide a better insight into the causes of poverty. And this also includes the phenomenon, to which Mr Newton Dunn rightly referred, of poverty continuing from generation to generation, poverty which is, as it were, inherited. This is a very frequent occurrence, and I can assure him that we shall also be paying special attention in our study programmes to this phenomenon of stubborn, persistent poverty passed down from one generation to the next.

Although we have been modest in the organization of our programmes, the idea is that they should not simply be study projects, but living programmes, as it were, 'action projects', as Mr Boyes put it, because the projects themselves are drawn from life. We are concerned with an existing situation, not with the creation of artificial situations. Then, as several Members have also said, there is the question of self-help, which, as Mr Paisley rightly said, is an extremely important matter. It is not so much poor relief, in the negative sense of the term, that we want. What we want primarily is to make people realize that the situation need not be hopeless if they take advantage of the resources available. But they must be the ones to take advantage of them, and I believe that reawakening the feeling that they can help themselves is one of the important aspects of our programme. Mr Prag and Mr Spencer also stressed this and said that it is perhaps the most important means of liberating those concerned from their hopeless situation.

What can we do now? As I have said, this is a modest programme, but even with modest resources it is possible to gain a better insight and greater knowledge of the situation, and that is the purpose of the exercise. Ultimately, as Mr Spencer has said, and I agree with

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him, it will be for the national authorities to interpret the knowledge and know-how produced by these transnational, Community projects. It must be possible for this to be converted into policy at national level, and that is something for the Member States themselves to do. The inequalities in the distribution of prosperity continue to exist, and the aim of our projects is to eliminate this inequality in prosperity, in incomes and also in knowledge and social positions. We therefore hope that the national authorities will provide for the necessary follow-up to the projects that we have now set up.

How extensive are the resources? They in fact amount to only a few million units of account. It is not a large sum. We shall undoubtedly have to make a closer study. At this stage I cannot therefore give a precise answer to Mr Calvez's question as to exactly what figures are involved. On the one hand, it depends on the definition of the word 'poverty' and on the other, there are in some cases very considerable differences in minimum incomes in the various Member States. Mr Coppieters quoted a minimum income in Belgian francs which would go nowhere in the Netherlands, because the minimum income there is many times the figure he mentioned. So there are differences of definition, and the idea is to gain an insight into the situation at Community level with these transnational programmes. The programmes will be completed on 1 December of this year. We will then have to make a general assessment — that will, of course, take some time — and the aim is to submit the final report to the Council at the end of the first half of 1981. The Council will then, of course, have to examine the report carefully. We will give a more detailed explanation of the results of our surveys, and it will then be for the Council to draw conclusions from our final report.

Knowing how the Council works, we estimate that it will then be the second half of 1982. This means we are talking in terms of a period stretching from 1 December 1980, the date on which the present programmes will be completed, until the Council draws its conclusions in 1982. It has been said on all sides here that it would be worthwhile continuing this work, and I hope that the Council will also come to this conclusion. It would certainly be a pity if the knowledge of those who have worked on these projects with such enthusiasm was meanwhile lost. That is also one of the reasons why we have proposed the continuation of this programme in interim form for two years. Not because we believe that everything will be settled in two years. That is a misunderstanding, Mr President. The two years are simply a bridging period, after which I am convinced we shall have to continue with this kind of project on a larger scale.

The present projects have already produced some interesting information, on the use of indicators, for example. We must establish certain indicators, so that we can identify the people and the problem areas in need of special help, as it were. Another problem to

which various speakers have referred, and I am thinking in particular of Mr Coppieters, concerns the extent to which the social security services at local level simply pass the phenomenon of poverty by, without really getting to grips with it, for all kinds of reasons of an official nature, because of red tape and what not. This aspect is also covered by these pilot projects: why does social assistance not always reach the very sections of the population who most need it? This is one of the phenomena we often encounter. In many cases poverty is caused by the ignorance of those concerned: they do not know where to go for assistance. And in many cases, Mr President, they are quite simply ashamed. That is another thing, the phenomenon of 'silent poverty', people who qualify for assistance, but are too embarrassed to apply for it.

Finally, Mr President, poverty differs in nature from one region of our Community to another. Poverty assumes a different form in a country such as Italy from that to be found in Denmark or the Netherlands. But there are a number of common features which we are trying to investigate in our projects, so that we can improve our understanding of the situation. In any case, poverty often acts as a stigma on people and particularly on young people and the children of those concerned. We must find out how this process of stigmatization and the isolating effect of poverty can be eliminated.

Mr President, those are the comments I wanted to make. But I should like to say a word or two about the amendments that have been tabled. We have no objection to these amendments, with the possible exception of Amendment No 2 by Mr Oehler. Our objection concerns point 6 c. I do not believe the system proposed would work. It just happens to be the case that the national authorities must propose the projects and that the Commission cannot make contact with those concerned until a contract has been signed with those responsible. We cannot therefore turn the system round. Secondly, I must point out that the present budgetary rules make it impossible for us to pay out the full amount right at the beginning of our activities. That is not usually possible. My colleague Mr Tugendhat would soon be rapping my knuckles if I did so, and your own Committee on Budgetary Control would object — and rightly so. But I can say that it is possible for us to make an advance for a four-month period at the beginning of the project and then to make the rest of the payments in instalments when we have received the necessary financial information.

Mr President, I believe I have answered the questions that have been raised. The Commission is grateful for the considerable support it has received for its programme and its proposal. We therefore endorse the resolution, with the exception of one part of Mr Oehler's amendment, which the Commission would advise Parliament against adopting.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

I call Mr. Boyes.

**Mr Boyes.** — Mr President, I am sorry to have to raise this matter once again. Last month I put a resolution to the Parliament about the way the computer was malfunctioning, and when that resolution was carried I understood that this Parliament would be given a report. I am now given to understand that the very brief oral statement made from the Chair the other day that the system was now working adequately is the report. Now I am sure that when Parliament passed that resolution of mine by urgent procedure, it expected a full report about the machine — why it had not been working, what we should expect from it, etc. Would you give me an assurance that Parliament will be given a written report about the working of the computer, particularly in view of the shambles that we had again this afternoon, when we have to wait up to five minutes between each vote.

**President.** — Mr Boyes, I understand that a report of today's voting will be submitted for assessment to a meeting of the Bureau.

I am not quite sure what you want in a written report; I cannot see how much further we can go than to offer assurances that the system is working properly. That is the assumption we have to work on until such time as it does not. However, I will certainly convey your views to the President.

I call Mr Boyes.

**Mr Boyes.** — Could you make an announcement about it by tomorrow? Because, if not, I am going to table another resolution about the computer — not about the electronic system and circuitry but about the way it is operating. I know, as many people here do, especially those with businesses, that computers can be quite simple these days and can do things without having to wait 3 ½ minutes . . .

**President.** — Mr Boyes, you have made a request, and I can assure you that it will be complied with. We are, however, on a strict time schedule now . . .

**Mr Boyes.** — You would not have to keep to a strict timetable, Mr President, if we had not to wait 3 ½ minutes between each vote. Just think of the number of minutes that have been wasted!

**President.** — Mr Paisley, do you wish to raise a point of order?

**Mr Paisley.** — Further to the point that has been made . . .

**President.** — I am sorry, but that is the end of the discussion on the electronics of this hemicycle. The matter is being taken up with the President, and I hope to discuss it with Mr Boyes afterwards to see what form he would like the report to take. For the moment, the item is closed.

#### 16. *Urgent procedure*

**President:** — I have received the following five motions for resolutions, with request for urgent debate pursuant to Rule 14:

- motion for a resolution, tabled by Mrs Clwyd and others, on the imminent threat of closure of British coal-mines (Doc. 1-176/80);
- motion for a resolution, tabled by Mrs Agnelli and others, on the death of thousands of Cambodian children (Doc. 1-177/80);
- motion for a resolution, tabled by Mr Pflimlin and others, on the situation of Mr Shcharansky (Doc. 1-178/80);
- motion for a resolution, tabled by Mr Berkhouwer and others, on the situation of refugees in Somalia (Doc. 1-179/80);
- motion for a resolution, tabled by Mrs Van den Heuvel and others, on the situation in East Timor (Doc. 1-181/80).

The reasons supporting these requests for urgent debate are contained in the documents themselves.

I shall consult Parliament tomorrow morning on the urgency of these motions for resolution.

#### 17. *Increase in oil prices*

**President.** — The next item is the report by Mr Balfour, on behalf of the Committee on Economic and Monetary Affairs, on the increase in oil prices (Doc. 1-61/80).

I call Mr Balfour.

**Mr Balfour.** — The central issue upon which the Economic and Monetary Committee has concentrated its attention in this report is whether, and if so, to what extent, it is the constant and uninhibited speculation of the Rotterdam spot market which encourages OPEC States to continue to raise their prices. There is



## Balfour

no need for me to analyse for the House the extent and nature of the recent crude oil price rises. They are all known to us already and are examined in the report's explanatory statement, which, needless to say, is already out of date. The important thing for us to remember is that the motion for a resolution, because it addressed itself to the Rotterdam spot market, deals not with crude oil but with petroleum products. There are wide variations in the price of petroleum products in the Community. The relationship between crude and oil products is not easy to identify with any degree of exactitude. It depends in large measures on the differing scale of duties and taxes imposed by different Member States. The relationship between spot prices for products and consumer prices in the mainstream inland markets is set forth in the report's explanatory statement.

What prompted the signatories of the original motion for a resolution to call for greater regulation of the Rotterdam spot market was the realization that whereas in the January-June period crude had risen by 57 %, the price of products had gone up by 95 %. The gap between the Rotterdam spot prices and the price of petroleum products in inland mainstream markets had widened considerably in 1978 and 1979. The Commission's market analysis known as COMMA showed the extent of this divergence, but it showed that the difference in prices has at different times been high and at other times been low, and yet again in both directions.

Let us then consider for a moment what is meant by the Rotterdam spot market for oil products. It is essentially a trading activity which could take place anywhere in the world. There is no formal exchange as such. There are many regional spot markets for products. There is one in Singapore, there is a Caribbean market, there is even a Mediterranean regional market for products based in Germany. There is, in contrast, but one spot market for crude oil, and it is international in scope. The reason for this is that the transportation costs for crude are relatively small whilst those for products are very high. Whereas the spread is greater than the transportation costs, the spot market organizes the volume of movement. Rotterdam, with its huge storage and port facilities, is the natural headquarters for this activity and it operates along the six-country tributaries of the Benelux nations, Sweden, Germany and Switzerland. There was probably an element of confusion in the minds of the draftsmen of the original motion. The size of the crude oil spot market is difficult to estimate but those who have given evidence to us suggest that it could be as high as 20 %. The size of the Rotterdam spot market for petroleum products is probably as small as 3 % of the total requirements of the European Community, and the speculative element in these transactions is but a fraction of that 3 %.

So what can we say about it? The market, of course, is not restricted geographically to the city of Rotterdam.

The market is small. The vast majority of the Community's oil needs are met through the integrated systems of the multinational oil companies. The Rotterdam market deals in oil products on margin, therefore of necessity it is bound to be more price sensitive than the main volume of buying and selling of the main integrated systems. Trading activity on spot markets is risky. That does not necessarily make it bad. Large profits and large losses have been made and will continue to be made. Traders will come and traders will go. The market fulfils important supply functions. Germany, for instance, has independent petrol stations, representing 15 %—20 % of the total, and of this total the Rotterdam market is the source for approximately one-third. The Rotterdam market is susceptible to use as a price controls and by companies for inter-company transfer pricing.

The question to which we must therefore address ourselves is this: to what extent does this lead the consumer market in prices, and should it be regulated? Its price impact is certainly greater than its volume would lead us to believe, but there is insufficient evidence for believing, as is often claimed, that it influences the price expectations of producer countries. If it did, it would certainly work in both directions, and it does not. Today, for instance, the pressure for raising crude prices continues unabated. And yet the gap between the spot market for crude and that which determines long-term contracts has not for a very long period been as small as it is.

This market has inevitably a psychological effect on those who see with understandable irritation and frustration free market prices for products rising faster than the posted prices for spot sales of crude.

So what should we do? We could move towards a system of formal controls or we could devise measures to provide for greater transparency. The Energy Ministers have asked the Commission for a report on the setting up of an official exchange, and a working party will report to Parliament in due course. My own colleague, Mr Seligman, will address himself to the question of a future market, a technical subject and one which may merit this Parliament's attention. Maybe greater controls would help. Personally, I doubt it.

The Committee on Economic and Monetary Affairs does not recommend a maximum price control system, for it could detract from our efforts to develop alternative energy sources. It could, furthermore, create a permanent distorting effect. Let us then ask for a greater transparency and more information in line with the Commission's concept of a quick response based on certification of FOB prices and on methods of transferring crude prices to product prices. Lastly, the fact that a possible energy tax is being considered is a hopeful sign for all of us who wish to see the Community as something more than an agricultural club of limited dimensions.

(Applause)

**President.** — I call Mr Gerhard Schmid.

**Mr G. Schmid.** — (D) Mr President, the Committee on Energy and Research, on whose behalf I am now speaking, was almost unanimous in its decision to request that it be considered jointly responsible for reporting on this subject, because we feel that the question of energy prices also concerns our committee. In view of the importance of energy for our industries it is quite obvious that our committee must concern itself not only with the quantities of energy that are available and the way in which they can be made available, but also with the price at which they are available both to industry and to the private consumer. We shall therefore continue to request authorization to report on this aspect in the future.

And now to the matter itself. On 14 May of this year an advertisement headed 'Spot market oil' appeared in a major German daily newspaper. The text read as follows: 'Since 1973 the price of oil has risen by over 600 %. Last year it rose by 128 %. If you are convinced the price of oil will continue to rise, you can profit from the situation on condition that you have capital of at least DM 13 000 freely available.' The name of the firm and its address are then given. It is obvious that this advertisement concerns speculation. Now, the rapporteur of the Committee on Economic and Monetary Affairs has referred to the link between the prices paid on the spot market and the prices generally paid for oil and oil products. I would like to provide a clearer illustration of this, as our committee sees it, because the situation on the spot market has undergone some decisive changes in the last two years. This used to be a market on which surpluses could be sold, in some cases at prices below those of the integrated system. Things are different today. The trade on the spot market is now in shortfalls, and the rules used are those of the black market.

What, then, has changed? Firstly, the quantities, not, however, of oil products. I fully agree with Mr Balfour on that. Oil products continue to account for between 2 and 5 %. Since early 1979, on the other hand, there have been more and more cases of crude oil being traded on the free market, because some of the oil-producing countries are no longer selling it to the multinational companies, but on the spot market. What happens is that oil is sold 7 to 10 times at ever increasing prices while it is still aboard ship en route from Saudi Arabia to Rotterdam. The amount involved is between 10 and 20 % of the total — estimates vary, because no one really knows. This speculation has the effect of pushing prices up, and that is the important point. Because there is a clear and proven link between prices on the Rotterdam spot market and the prices of oil and oil products on the remaining market.

A perusal of the interviews given by Sheikh Yamani, senior among the oil ministers of the OPEC States,

shows that Yamani repeatedly criticizes the spot market. Why? Because in OPEC he is one of the price policy doves, rather than a hawk, because the advocates of higher prices during OPEC's discussions always quote the Rotterdam prices as evidence that the industrial countries could afford them.

There is proof of this link. After all, Sheikh Yamani is not stupid: he knows exactly why he talks about it in his interviews.

There is a second link, of which there is even more precise evidence and which I would like to describe as 'the tail shaking with the dog'. In seven Member States of the Community we have laws regulating the prices of oil products, there being two distinct types. In one case — Denmark is a typical example — an oil company must obtain government authorization for price increases and prove that they are necessary. For this the prices on the Rotterdam spot market are quoted. Then there is a second system of controlling prices — here Belgium is an example — under which a kind of mathematical formula is used to calculate how high the maximum price may be, and this mathematical formula explicitly includes — as you will see if you read the Belgian law on price formation — the price on the Genoa and Rotterdam spot markets. So this link can be proved. It is not mere conjecture. That is how the small quantities traded by the rules of the black market on the Rotterdam spot market also determine other oil prices in Europe. That is the decisive link.

It also results, Mr President, in this spot market being artificially manipulated. It can be proved that the oil companies always have their tankers sail more slowly before price increases are authorized, so as to keep the quantities on the spot market short. It is also well known that the oil companies use subsidiaries, which have been in the Rotterdam business for a long time and are clearly to be regarded as major oil companies, to sell each other oil through the Rotterdam spot market for combined costing purposes. This is very important in the Federal Republic because it has to be proved to the Cartel Office that oil has become more expensive.

What conclusion should be drawn from this? Firstly — and this has my full support, it is also to be found in Mr Balfour's report and it is also the Commission's view — we must achieve the greatest possible transparency. On that, I feel, the whole House will agree. But we must ask whether the measures the Commission has adopted to this end are adequate. To be quite frank, I personally doubt it for reasons which I cannot now explain because there is not the time. But quite seriously, Mr Balfour, we should discuss whether, since we are dealing here with inelastic demand — no one can decide against oil — it is reasonable to leave large sectors of our industry and the private consumer, almost entirely at the mercy of the multinational oil companies and this speculation.

## Schmid

I will conclude by saying that the situation is extremely serious. With your permission, Mr President, I should like to quote from an article by a specialist on the Rotterdam spot market which appeared in the *Petroleum Economist* of March last year: 'In present turbulent conditions such talk of eternal economic verities may sound suspiciously like an obsessive interest in the arrangement of the deck chairs on the Titanic shortly after it hit the iceberg.' I have nothing to add to that, Mr President, and I call on the House to delay no longer in taking action.

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

**Mrs Charzat.** — (F) Mr President, Mr Balfour's report on the increase in oil prices amounts to a defence of inaction.

In the first place, the report seems to have no fixed reference point in time. The consequences of the two oil crises of 1973 and 1979 are virtually ignored. Mr Balfour's analysis could just as easily have been made in 1955 or 1970. The profound destabilization of the crude market and its subsequent erratic behaviour is passed over in silence. Moreover, whilst coming out in favour of transparency Mr Balfour rejects price controls on the grounds that they would tend to create distortions. Perhaps I should point out that the control of prices is the *raison d'être* of transparency. Besides, one can scarcely imagine that there could be any greater distortions than those we have seen since 1973-74, and especially since 1979. The kind of transparency that Mr Balfour is advocating is thus synonymous with opacity, not to say ineffectiveness. The oil-price explosion and the wild speculation on the Rotterdam market on the very day after the Tokyo Summit is a prime example of this.

As far as I am concerned, therefore, Mr Balfour's report is no more than a meaningless distraction that overlooks three fundamental points. Firstly, there is the seriousness of the crisis in the capitalist system caused by the present international division of labour. Evidence of this crisis is to be detected in the worsening of North-South relations. The Western capitalist model of development has done nothing except aggravate the overall imbalances between the countries of the Third World and the imperialist countries. The oil crises of 1973 and 1979 are seen as a reflection — and I use the term advisedly — of the crisis in the Western system. The second point overlooked by the report is that there are particularly now, strong links between production and marketing structures and the free market. The relative state of penury of Western countries, including the Member States of the Community, is one of the major factors disturbing the free markets and causing them to rise. From the point of view of supply, the producing countries along the Gulf — particularly Kuwait, the United Arab Emirates and

Saudi Arabia — with their small populations, have no way of utilizing their enormous trading surpluses, which are depreciating with every movement of the dollar.

For the first time in 1980, production by the OPEC countries will drop sharply, while crude prices will continue to rise. From the point of view of demand, the importing countries have an insatiable thirst for crude, which is continually going to create pressures to increase supplies, which will in turn be reflected in prices. All the same, there is close on 300 million tonnes of oil unsold on the world market owing to the enormous trading surpluses of the OPEC countries, amounting to 110 000 million dollars in 1980. I should also mention that 4 % of drilling operations are currently being conducted in developing countries, which hold approximately 40 % of known reserves, and that in relation to the 1950s there have been five times fewer discoveries of new reserves since 1975.

This situation of relative shortage has thrown the oil marketing structures into utter confusion. The major oil companies have lost their dominant role in the distribution of oil. In 1973 they handled 75 % of the crude trade in the world. In 1980 this figure has fallen to 40 %. Their place has been taken by the independents and by State-to-State contracts, which represented 13 % of the world market in 1979. The major oil companies, seeing their access to the crude of the producing countries cut off, are being forced increasingly to turn to the free market in order to satisfy their own outlets and fulfil existing contracts with third parties. Currently, BP are having to find 19 % of their crude on the free market, Gulf 12 % and Shell 9 %. In addition, British Petroleum and Shell, with their chronic shortage of oil, are signing delivery contracts with certain countries on ridiculous terms. I should also mention the behaviour of countries like Japan and South Africa, which are helping to escalate prices. Lastly, let me tell you that in the autumn of 1979, at the time of the price explosion on the Rotterdam market, the United States with a subsidy of 5 dollars a barrel and the multinational oil corporations, which in any case already held ample stocks despite the reduction in flow of Iranian oil, helped to accelerate the rise in crude prices and reaped huge profits by speculating on the market.

This speculation encouraged the producing countries to intervene strongly themselves on the free markets, selling up to 20 % of their output on the spot market. Ever since then, contrary to the suggestion in Mr Balfour's report, the problem with the free market has ceased to be a problem of quantity, accounting for 3 % of the needs of Western Europe, and has instead become a problem of political will. If we are to save Western Europe from being overtaken by calamity in the next ten years we have to put a stop to speculation on the free markets. Since 1979 speculation has been responsible for throwing crude prices into confusion to the point where they no longer conform to market

**Charzat**

rules. There are no official prices set by the producing countries, nor do the latter abide by any effective contractual price, whilst oil futures remain shrouded in uncertainty.

The third point overlooked in Mr Balfour's report concerns the determination of the major consumer countries, and indeed the necessity, to renew the dialogue between oil-producing and consuming countries. The Tokyo declarations have remained a dead letter. The register of oil transactions, the only concrete measure adopted at the Summit, has proved largely ineffective because of the long delays between the transaction itself and the processing of the data. Moreover, contrary to their undertakings, the Heads of State who met in Tokyo have failed to dissuade their oil companies from indulging in speculation and ruthless trading. Today, despite the existence of substantial stocks, if the market were to be faced with a drastic reduction in the supplies of crude from any one of the producing countries, the few measures to improve transparency that have been introduced would not discourage unbridled speculation or withstand the pressures of national self-interest. That is why a determination to bring prices on the free market under control is such an essential precondition if the Member States of the European Economic Community are to succeed in redeploying their energy resources over the next decade.

Control of the free markets requires three series of short-term measures to be implemented. Firstly, we need to stabilize the free markets by introducing a system for the rapid transmission of data relating to purchases on the free markets at abnormally high prices; by the certification of transportation costs by agreement with the producers in order to combat speculation — oil importers would be required to produce an invoice, drawn up by the seller, certifying the purchase price to prevent further transactions; and by the introduction of a code of conduct for operators that would forestall speculative manoeuvres and unlawful agreements. Finally, the introduction of a faster system of registration must be backed up by consultation between consumer countries to prevent them pushing prices higher and higher. The consultation must be accompanied by a strict ceiling on imports.

The second series of measures relates to energy saving and a reduction of the share of our expenditure accounted for by oil. At the same time we must resume the energy dialogue with the producing countries.

The third and final series of measures should be concerned with launching vast programmes of investment in energy in the Member States in order to provide them with ample independent energy resources in the future. Over the past six years private investment in energy has been inadequate and has been geared to a quick return.

Europe's survival depends on getting rid of the spurious attitude that the economic crisis, like the energy crisis, cannot be mastered. All that is needed is for the Member States to have the political will to smash speculation and go on to invest in new sources of energy in readiness for the end of the oil age.

**Presidnet.** — I call Mr Müller-Hermann to speak on behalf of the Group of the European People's Party.

**Mr Müller-Hermann.** — (*D*) Mr President, I should like to begin my brief comments by remarking on behalf of my group that the Bureau should in future ensure that all reports relating to energy matters pass through Parliament's Committee on Energy and Research, either as the committee responsible or as the committee asked for its opinion. This is a shortcoming of Mr Balfour's report.

What Mr Schmid has said here as the shadow rapporteur of the Committee on Energy and Research does not necessarily reflect the opinion of that committee. I feel it is important that this be noted, because we did not have enough time to discuss this subject in committee.

I feel it can generally be said that the spot markets have performed and continue to perform a quite useful function in the supply of oil to the consumer. For example, when there have been shortages, it has been possible to provide the consumer with cheaper petrol with the help of the spot markets — not least through the supply of independent refineries — than that available at the filling stations of the major oil companies. And the position is not a great deal different where middle distillates and heating oil are concerned.

I believe it would be overdoing it to blame the spot markets for the increase in oil prices. That would be oversimplifying the problem. The rising price of oil is ultimately due to the fact that, on the one hand, the demand for oil throughout the world continues to grow, firstly because we and others want economic growth and secondly because the population of the world is increasing and the demand for energy, for oil in the underdeveloped countries, now very low, is growing at an above-average rate. On the other hand, the oil-producing countries are tending more and more — quite legitimately, as they see it — at best to stabilize oil production, at worst to reduce it, because — and this is one of the chief problems we must face — they cannot find any worthwhile use for the surplus oil. How we can provide an incentive for channelling the surpluses of the oil-producing countries in a worthwhile manner, by increasing world-wide demand for energy, through exploration, which is very expensive, through technological development, not least through the development of Third World countries is a subject to which, I feel, we of the Commission, of the Council and also of Parliament must devote a

**Müller-Hermann**

great deal more attention in the future than we have in the past.

I do not know how Mr Schmid can have the courage to say that the upward price trend in the energy or the oil sector can be slowed down by greater State intervention . . .

*(Interjection from Mr Schmid: I did not say that.)*

. . . then I must have misunderstood you. If you say that the price of oil is particularly high in Belgium and Denmark, I can say that the price of oil and of heating oil in those countries is relatively high in comparison with other countries where competition determines the price. I am not saying — and I believe it would be foolhardy to do so — that the spot markets do not provide any incentive for speculation. That is the issue we must consider, because it cannot be in our interests that a number of speculators with a little capital make excessive profits by manipulating the market. But I feel — and I am now speaking on behalf of my group — that the Commission's proposals are going in the right direction to achieve far greater transparency of the spot markets — there is not just one: there are at least two, if not more, in the Community — and to give the consumer a better opportunity of comparing prices in various regions and of various products. I would therefore warn against our drawing the general conclusion from the deficiencies — which exist — that we would do better with an overall supervisory and regulatory system. I believe we must bring ourselves to taking action, which will certainly not be easy, to install more effective means of achieving market transparency. That is why, as I and my political colleagues see it, the course adopted by the Commission is the right one, and it is also endorsed by the Balfour report. It is also why we have not asked for this report to be

referred back to committee because the Committee on Energy and Research was not consulted. By and large, we support Mr Balfour's report. But I repeat: we shall have to look again at the problem of curbing speculation. Perhaps, Mr Schmid, we should take the initiative on this specific subject in the Committee on Energy and Research, but for the moment we should use our majority weight in this Parliament to approve the Balfour report, so that further action can be taken on the measures proposed by the Commission.

*(Applause)*

### 18. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday, 21 May 1980, with the following agenda:

*9 a.m. to 1 p.m., and 3 p.m. to 7 p.m.*

- Vote on the urgency of several motions for resolution
- Joint debate on the Council and Commission statements on the European Council in Luxembourg and the oral question to the Council on the need for early adoption of the budget
- Radoux report on the EEC/Yugoslavia Cooperation Agreement

*5.30 p.m. to 7 p.m.*

- Question Time: questions to the Council and the 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 from the committees and the Members various documents, details of which will be given in the minutes of proceedings of today's sitting.

#### 3. Referral to committee

**President.** — Details of three motions for resolutions on fisheries which have been referred to committee

will also be found in the minutes of proceedings of today's sitting.

#### 4. Requests for an early vote

**President.** — I have received three motions for resolutions with request for an early vote, pursuant to Rule 47(5) of the Rules of Procedure, to wind up the debate on the oral question (Doc. 1-146/80) on the need to adopt the budget rapidly after the meeting of the European Council:

— motion for a resolution (Doc. 1-175/80) by Mr Dankert on behalf of the Committee on Budgets;

— motion for a resolution (Doc. 1-183/80) by Mr Maffre-Baugé and others;

— motion for a resolution (Doc. 1-186/80) by Mr de la Malène and others on behalf of the Group of European Progressive Democrats.

As was decided on Monday, the authors of these motions may speak in today's debate. Parliament will be consulted on these requests for an early vote on these motions for resolutions at the beginning of tomorrow's sitting. If the requests for an early vote are adopted, the vote will take place at the next voting time.

I call Sir Peter Vanneck.

**Sir Peter Vanneck.** — Madam President, as Mr Ian Paisley is not present, may I on behalf of all the backbench Members ask if the backbench lights could be switched on now and in future at 9 a.m. every day?

**President.** — Orders will be given to this effect. Steps will be taken to ensure that the lights are always on by nine o'clock.

I call Mr Fergusson.

**Mr Fergusson.** — Madam President, on a point of order. I made a speech on Monday, which is recorded in the Report of Proceedings, asking why the oral question tabled in my name on 20 April, dealing with the Commission reaction to a resolution adopted by Parliament in June 1978, has in fact not appeared on the list of oral questions. I hoped that my question would be answered today. Perhaps you can help me.

**President.** — Mr Fergusson, your question was forwarded in good time to the Commission. For technical reasons, however, it was not received by the Commission. For this reason it was not included in last Monday's Question Time, but rest assured that it will be included in Question Time at the next part-session in June.

##### 5. Decisions on urgency

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

We shall consider first *the motion for a resolution (Doc. 1-173/80) by Mr Jaquet and others: Present crisis in the EEC.*

I call Mr Jaquet.

**Mr Jaquet.** — (F) Madam President, the recent European summit meeting illustrated the extent of the crisis besetting the Community. I do hope that at the end of today's debate Parliament will assume its responsibilities in a clear and courageous manner.

This is the background to the motion for a resolution by the French Socialists seeking an urgent debate on this matter. The crisis is serious because it raises a question mark over the character and very nature of this Community of ours. The extent of the crisis was disclosed by the discussion over the United Kingdom contribution, but although the British demands have made things worse, they were not the cause of this crisis. Some people say that if we accepted Mrs Thatcher's demands, the Community would be well on the way to becoming a free trade area. This is the

wrong way of looking at the problem, if you ask me. Quite the opposite is true, because the Community has barely got past the stage of being a free trade area and the UK Government has found some pretext for putting forward its demands. We have our own resources, but apart from the Common Agricultural Policy what common policies do we have? There has been no real expression of Community will at any other level, be it social, regional, industrial or in the energy sector. And of course, if Europe is going to stumble along like this, everyone is going to put national interests first, and who can blame them in such a situation? There is a problem as far as the United Kingdom is concerned, and the solidarity which ought to exist among us should prompt us to make an effort, but this can be done only for a limited time and with due respect for the rules of the Community. We are not going to solve the present crisis by opting for inter-governmental cooperation. On the contrary, it is by developing our common policies that we can best respond to the chief concerns of each Member State.

There is also a genuinely serious problem in the case of the budget. It is obvious that the present situation cannot go on and that the system of provisional twelfths which we have at the moment is hindering even more the workings of the Community. The Council really must present a new draft budget at the June part-session. We have waited for far too long and this situation has lasted for far too long.

One last point, on agricultural producer prices for 1980-81. Let me repeat what we have often said in the past: we want these agricultural prices to ensure that European farmers have an income which is comparable with the incomes of other professional classes, which is implicit in the agreements which led to the introduction of the Common Agricultural Policy. One or two aspects of the policy will have to be reviewed no doubt, and we recently tabled a proposal on this subject, but we have always maintained that you cannot use a budgetary vote to bring about reforms in this sphere, and you have to respect the undertakings that were made.

I have outlined the reasons behind our tabling of this motion, Madam President. We really hope that the present crisis will serve as a lesson to us and will help us to become more aware of the ties of solidarity which unite us, but we have to act boldly and with speed. This is essential if we want to pull through this crisis successfully.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Madam President, if I am not mistaken, the French Socialists are also represented on the Committee on Budgets and they also ought to be in a position to realize that after this



**Bangemann**

discussion we are scheduled to consider a report by Mr Colombo on exactly the same subject, which we are going to discuss and which is followed by a motion for a resolution which was drawn up by the Committee on Budgets with the collaboration of all the political groups. If I may now direct my remarks to Mr Jaquet, I am sorely disappointed that a Vice-President of Parliament, who really ought to see to it that the business of the House is conducted properly in accordance with the Rules of Procedure, completely ignores the issue of urgency and instead speaks about the substance of the matter, thus throwing confusion into the debate we are going to have later. Such conduct is unhelpful and does nothing to resolve the crisis. It simply brings to the debate an added element which we could have done without. I am against urgency and I ask everyone to keep to what we all want in future.

*(Loud applause)*

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

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

I call Mr de la Malène.

**Mr de la Malène.** — *(F)* Madam President, I do not really understand how you intend to organize the debates. We are going to have a debate with the Council and we are going to wind it up with a series of votes on motions for resolutions. Did Mr Jaquet's motion not fit into this debate? If I have got things wrong, I am sorry. I thought it came at the end of the debate, but if this is not so I apologize for interrupting.

**President.** — The motion for a resolution will not be considered because the request for urgent procedure was rejected.

**Mr de la Malène.** — This is where the misunderstanding arises. If you had said that all the motions by all the groups on the Council debate were coming together, there would not have been any problem in my opinion. Indeed, it would have seemed quite logical to me. In my view it is normal for all the groups to table motions on the budgetary problems and on problems connected with the Luxembourg meeting and then, as you said once, we take them all, although of course we shall have to vote on them for or against afterwards.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — *(D)* I should like to remind Mr de la Malène that all the groups have made an effort together with the Committee on Budgets and the rapporteur to arrive at a common motion for a resolution on behalf of the committee. As far as I am aware, this has been successful until now. I am all in favour. My group — and also the other groups, I believe — will not table individual motions. This is therefore a matter that we can handle jointly. Furthermore, a motion for urgency has been tabled and not a request to wind up the debate on the Colombo report.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-176/80) by Ms Clwyd and others: Closure of British coal mines.*

I call Mrs Clwyd.

**Mrs Clwyd.** — Madam President, the rules of the European Coal and Steel Community allow Member States to subsidize their domestic coal industries so as to reduce the price of their domestic coking coal to world price levels. The United Kingdom does not even provide the subsidy allowed under the European Coal and Steel Community rules so that the United Kingdom coking coal industry is extremely vulnerable at the present time. Both the Coal Board and the National Union of Mineworkers have been urging the British Government to adopt the principle generally adopted by all other European governments, namely that of bridging the cost gap between domestic coking coal and imported coking coal. There are also certain aids for the transportation of coking coal across frontiers which the ECSC pays directly. It is something of an anomaly that these transport aids do not apply within frontiers. In some parts of the Community transport across the Community may be a matter of only a few kilometres and is eligible for transport aid, whereas in the United Kingdom, transportation of coal over several hundred kilometres does not qualify for such aid.

Madam President, the continuance of a substantial coal-mining industry in the United Kingdom and elsewhere in the Community depends on maintaining markets. One of the major markets in the United Kingdom is for coking coal. You are aware that the government in the United Kingdom is reducing the capacity of the steel industry. The reduction in steel-making this year will reduce demand for coking coal by at least 1.5 million tonnes a year. At the same time the steel industry in the United Kingdom is being forced, again by the United Kingdom government, to increase its imports of coking coal from third countries.

Clwyd

Madam President, there has to be effective coordination between the production and disposal of Community coal and imports from third countries. It is still the case, despite all our talk about energy policy, that much greater importance is often given to the short-term advantages of cheaper imports than to maintaining and developing Europe's most important indigenous source of energy. Indigenous coal production in the Community is substantially less than it was before the outbreak of the oil crisis in 1973, whereas imports from third countries have doubled. Steps therefore have to be taken immediately to safeguard disposals of indigenous coal, particularly in times of adverse market fluctuations. The reason for urgency is that the future of at least 10 coal mines in one region of the United Kingdom will be reviewed in the next few weeks. The National Union of Mineworkers considers that at least 20 coal mines are in jeopardy, and this could mean the loss of 15 000 jobs in a region where unemployment is likely to reach 15 % by the end of next year, causing acute social and economic problems.

Madam President, I have no doubt that all concerned members of this Parliament will vote to support the urgency of this resolution.

**President.** — I call Mr Rogers.

**Mr Rogers.** — Madam President, I obviously would want to support urgency, since at least eight of the twelve coalmines that are being considered for imminent closure are within my constituency. Now, Ms Clwyd perhaps has put some of the substantive arguments forward for saving these coalmines. I want to confine myself strictly to the urgency matter. I appeal to all my British colleagues, wherever they might be in the House, to support it. The decisions are being taken today, next Wednesday and the following Wednesday. It is an ongoing matter, starting today. Unless we debate this, unless we give an opinion, then we really could have a calamitous situation. I would also appeal to my colleagues from other countries who are concerned with the energy situation, who are concerned with unemployment and the enormous social problems that attend coalmine closures. We must remember that when you close a coalmine, you close a community. It is no good in ten or fifteen years saying to the coalminers 'Come back'. There will not be any miners to work the pits.

**President.** — I call Mr Moreland.

**Mr Moreland.** — Madam President, I must say that I always find it a little curious that the party opposite, the British Labour Group, in its election campaign last year said that it would do its utmost to stop this Parliament and the Community interfering with

domestic decisions of the United Kingdom. Yet time and time again they raise issues which are domestic considerations. I suggest this House is getting a little bored of this activity.

Might I say, Madam President, that I represent a coal-mining area. I take this very seriously. I do not believe that the situation in the coalmines lends itself to a quick debate on Friday. It is much more amenable, and I am talking here of the Community coalmine situation as a whole, to proper discussion within the Committee on Energy with a final motion coming before this Parliament. I would therefore suggest that urgency is totally inappropriate in this situation. More importantly, it would actually do damage to the interests of coalminers. Might I say finally, Madam President, that I have probably been down more coalmines than our polytechnic lecturers opposite ...

*(Interruptions from the floor)*

... who are misleading this House.

The coalmines that are under discussion for closure are largely ones which are near depletion or which have high costs. There are proposals to open coalmines in the United Kingdom, particularly in my region. So the facts show clearly that urgency is out of order. Most important of all, for the sake of the coalmine industry, I believe we should have a proper investigation in the Committee on Energy and Research.

*(Applause)*

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

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-177/80) by Mrs Agnelli and others: Death of thousands of Kampuchean children.*

I call Mrs Agnelli.

**Mrs Agnelli.** — *(I)* Madam President, ladies and gentlemen, a great deal has been said, in this Chamber as well, about the plight of the Cambodian refugees. I do not intend to go over it again. This motion concerns the children who have been orphaned and who are alone and abandoned in the camps in Thailand. The idea is that these children should be fostered

## Agnelli

out to the hundreds and thousands of European families willing to take them.

These families would have to give an undertaking — in the event of one of the parents asking for the child back — that they would immediately send the children entrusted to them back to Cambodia or else that they would agree to the parents' coming to the European country which had taken in their children. In any case, this is highly unlikely, as most of these children have lost their parents. Some were killed in front of their children's own eyes, while in other cases the mothers died in the camps and the fathers were killed on the other side of the border. Many children were even picked up beside their parents' bodies.

It must be said that the High Commissioner for Refugees and, to some extent, the International Red Cross are against this solution, because they do not think the children should be uprooted from their own country.

At this point, ladies and gentlemen, there is one question I should like to ask. If a child of yours, or one of your little granddaughters, had the choice of living behind barbed wire and probably being raped every night, with the likelihood of being sent back to Cambodia to die of hunger, or of being adopted by a family and finding a home, an education, a life — which would you choose? I ask you to think about this for a moment, before you vote on this request for urgency.

(Applause)

**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 Friday's sitting.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-178/80) by Mr Pflimlin and others: Situation of Anatoly Shcharansky.*

I call Mr Vandewiele.

**Mr Vandewiele.** — (NL) Madam President, in the absence of Mr Pflimlin — who sends his apologies — and all the other signatories to this motion for a resolution, I should like briefly to speak in favour of urgent procedure being adopted for the resolution on the situation of Mr Shcharansky. The justification is very brief and largely self-explanatory. We have

requested the urgent procedure because of the extremely critical physical condition of Mr Shcharansky and the recent deterioration in his health. Mr Shcharansky has been in custody for so long that his life is likely to be in danger. He was sentenced to three years' imprisonment and ten years' hard labour on 14 July 1978 because of his commitment to the right of Jews to emigrate from the Soviet Union. In view of the fact that practically all the political groups in this House have signed this request, there should be no need for a long discussion. I should like to ask the House to support this request for the urgent procedure unanimously, as it did just now in the case of Mrs Agnelli's motion for a resolution.

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

**Mr Deleau.** — (F) Madam President, ladies and gentlemen, I am speaking on behalf of the Group of European Progressive Democrats in connection with this motion for a resolution. We believe that when human rights are threatened somewhere in the world, we are duty bound to fight to have them respected. It is the duty of free men to urge their total respect. There can be no compromise on this point. This is why we are in favour of this motion which has been tabled by Mr Pflimlin and a number of other Members, including myself. I cannot stress enough how important it is to adopt urgent procedure, in view of Shcharansky's state of health. Death waits for no man in prison. We are asking for a humanitarian gesture to accompany our concern for human rights, a gesture which justifies the urgent procedure which our group unanimously supports.

**President.** — I call Mrs Van den Heuvel to speak on behalf of the Socialist Group.

**Mrs Van den Heuvel.** — (NL) On behalf of the Socialist Group, Mr President, I wish to make a strong plea in favour of the urgency of this motion. This is an opportunity for Parliament to show that it answers the call of those in need.

**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 Friday's sitting.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-179/80) by Mr Berkhouwer and others: Wretched situation of the refugees in Somalia.*

I call Mr Berkhouwer.

**Mr Berkhouwer.** — (NL) Madam President, if immediate aid is not forthcoming for the hundreds of thousands of people who have poured out of Ethiopia into Somalia, thousands of them will be in imminent danger of dying of sickness and starvation. I need say no more. I hope that Parliament will decide unanimously to adopt urgent procedure.

**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 Friday's sitting.

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**President.** — We shall now consider the *Van den Heuvel motion for a resolution (Doc. 1-181/80): Situation in East Timor.*

I call Mrs Van den Heuvel.

**Mrs Van den Heuvel.** — (NL) Madam President, it is extremely difficult to get any information on the situation in the former Portuguese colony of East Timor, because the Indonesian occupying forces have refused access to international observers. Despite this, Amnesty International managed at the end of last month to produce a memorandum which again spelt out all the facts, and those facts are shocking. People are starving to death every day; aid does not get through to the people in need, but is instead sold on the black market by the Indonesian forces; people surrendering under the terms of an amnesty are imprisoned and executed, mostly after being tortured. The situation is so serious that the temptation is for us to close our eyes to it. We must not succumb to this temptation. International investigation and effective aid are more than essential in this stricken area. I would therefore urge this House to vote for the adoption of urgent procedure on this motion for a resolution.

**President.** — I call Mr Habsburg.

**Mr Habsburg.** — (F) Madam President, there are a number of reasons why I wish to speak against urgent

procedure for Mrs Van den Heuvel's motion for a resolution. Firstly, we are bothering about another part of the world when we should be concerned with matters which affect us directly in Europe. Secondly, the facts which Amnesty International has reported are open to considerable doubt because many reliable sources have had the opportunity of visiting Timor and they report facts which are in striking contrast to those supplied by Amnesty International. I therefore propose that the House reject urgent procedure in respect of Mrs Van den Heuvel's motion.

**President.** — I call Mrs Baduel Glorioso to speak on behalf of the Communist and Allies Group.

**Mrs Baduel Glorioso.** — (F) Madam President, I support the motion tabled by Mrs Van den Heuvel. Mr Habsburg's argument is rather unconvincing. We have just taken a decision on Cambodia and yesterday and the day before, if we had gone along with Mr Habsburg's group, we should have been off to Africa. Since we believe that human rights are being violated there, we have to pay some attention to events in Timor. The information which Mrs Van den Heuvel has is also known by many other Members. I support the request for urgency.

**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 Friday's sitting.

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**President.** — We shall now consider the *motion for a resolution (Doc. 1-185/80) by Mr Galland and others: European cohesion following the meeting of the Foreign Ministers of the Nine in Naples.*

I call Mr Galland.

**Mr Galland.** — (F) Madam President, ladies and gentlemen, Mr Habsburg cannot accuse me of speaking about a problem which is not European. I am prompted by events of the moment. In 24 hours, between 18 and 19 May, the beginnings of European cohesion worked out by the Nine Foreign Ministers in Naples began to show the first signs of coming apart. This unhappy incident — which I trust can be righted — has prompted this request of mine for urgent procedure.

## Galland

One thing has to be clear to our colleagues from the United Kingdom. I am not trying to cause any splits between us. If we can look at things calmly, what I am doing may help to bring us closer together. I should not like our British colleagues to think for a moment that the aim of this motion is to lecture them on political integrity and European solidarity. We have no justification for preaching along these lines. The problem in fact goes much deeper. It is becoming increasingly important, for the sake of European unity and for the effectiveness of this Parliament, to know how to distance ourselves from our governments when this is necessary. I gave an example of this a few months ago, ladies and gentlemen, when I raised the problem of contributions and the European solidarity which I felt was essential. I fail to understand the British Government now. On 18 May in Naples the Nine Foreign Ministers all signed a communiqué outlining the sanctions which this Europe of ours, acting in step at last, had agreed on to show our solidarity over the hostage affair in Iran. The communiqué of 18 May was quite clear, to the effect that the Ministers agreed that all contracts signed after 4 November 1979 would be affected by the sanctions. The next day, 19 May, the British Government unilaterally decided not to enforce the sanctions from the proposed date of 4 November 1979, the day on which the hostages were taken. The eight other governments were informed of this decision yesterday, 20 May. I would point out too that, contrary to what many people are inclined to think, it was not the House of Commons which forced the British Government to go back on its word. The bill giving the British Government the power to impose sanctions on Iran had in fact been given its third reading some days before.

Ladies and gentlemen, we have always called for international solidarity in this unhappy affair of the American hostages in Iran. We were praying for a common European position. As soon as we get one and show the world that the Community can have a political sense and be united, it is disregarded only 24 hours later. It would have been better if we had never had one at all. There may still be time to get round this error and these dangers if this Parliament asks the United Kingdom to stand by the undertaking it gave in Naples. What has happened this week could not be more topical, and that is why urgent procedure is needed to ask the United Kingdom to make a determined show of the European political solidarity which that same nation, often with justification, has so often demanded of the Community.

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

**Mr Scott-Hopkins.** — Madam President, I regret that the honourable gentleman has decided to bring forward this motion at such a sensitive moment in the Community's development. This is a moment when

Parliament should be trying to be a unifying, not a divisive, force. We should be seeking areas of cooperation and of agreement, not highlighting those areas where there is difficulty and disagreement. Of course what the honourable gentleman said is true, but I would point out to this House that the House of Commons in Westminster made known to the Government its deep aversion to bringing in retrospective legislation, and that is what it would have meant if the House of Commons had decided to pass legislation dealing with contracts which had been concluded between operators in the United Kingdom and those in Iran dating back to November, when they were entered into in all good faith. It was the House of Commons which made it known to Her Majesty's Government in the United Kingdom its deep aversion to that.

I would point out to this House that we in my group here have been loyal to the decisions of this House concerning the necessity to bring in sanctions against Iran notwithstanding the deep misgivings that all of us in this Chamber have over the efficacy of sanctions. And we as a group have indeed been loyal to the decisions of the Council of Ministers as well. It may well be that the honourable gentleman who moved this motion had other ideas at the back of his mind as to how other Member States had been behaving just recently in perhaps dividing and departing from the agreement of the Nine, but I do want to highlight that that is not my intention. I would merely, Madam President, ask my honourable friends and the honourable gentlemen in the rest of the House not to give urgency to this matter. It is the wrong moment to do so. Let us search for what will unite us and help us out of the present crisis that we have got into. And so I beg you, honourable gentlemen and my honourable friends, not to support the plea for urgent procedure for this debate. Let the matter go to the Political Affairs Committee, but please do not support the request for urgent debate at this moment. Let us be a unifying, not a divisive force!

*(Applause)*

**President.** — I call Mr De Goede.

**Mr De Goede.** — *(NL)* I am in favour, Madam President.

Madam President, Mr Scott-Hopkins's approach to the motion for a resolution tabled by Mr Galland and other is slightly odd. Of course, Parliament should try to be a unifying force — and I have no doubt that this sentiment will be echoed a number of times in the course of today's debate with the Council — but you cannot create unity by glossing over the lack of unity, which is what Mr Scott-Hopkins is trying to do. I think he would do more for the cause of unity if he had a chat with Mrs Thatcher about the budget prob-

**De Goede**

lem and the United Kingdom's withdrawal from the Iran boycott.

Madam President, I entirely agree with the content of the motion for a resolution and with the request for urgent procedure. I do, however, have one point of order to make. Today we are debating the problems of the Nine in general with the Council and the Commission. I am sure that the question of Iran will crop up on a number of occasions. My question is whether the fact that Mr Galland is sticking to his request for urgent procedure means that we shall be discussing this question again separately on Friday morning. I should like to ask you whether this motion for a resolution could not be incorporated into today's debate, which would mean that when we come to vote on today's motions tomorrow, the motion for a resolution tabled by Mr Galland and others would likewise be voted on then.

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

**Mr Bangemann.** — (*D*) Madam President, Mr Galland tabled this motion on behalf of Members in the Liberal and other groups on the assumption that the President-in-Office of the Council would keep to the agenda, which in fact schedules a report on the Luxembourg meeting. I presume, however, that he is bound to say something about the Foreign Ministers' meeting in Naples. Consequently, on behalf of Mr Galland and the others who signed the motion, I can say that we are willing to have this motion dealt with not as a request for urgent procedure but as a request for an early vote to wind up the debate on the oral question tabled by Mr Fanti and others on the topic that Mr Colombo will be talking about in a few moments.

There are also two points I should like to make in connection with what my esteemed colleague, Mr Scott-Hopkins, said. If he were to regard this motion as an attack on an individual government, he would be mistaken. If he were to interpret it as an outpouring of national feeling against another nation and another national government, he would also be mistaken. I should back a motion of this kind even if it were aimed at the German Government. I should also back it if the point were — and it is — to encourage both parties, the British Government as well as the rest of the Community, to discuss in a public debate the reasons for the disintegration of the Community.

Mr Scott-Hopkins, you and I were both at a function last night where we had an opportunity to talk in private about the situation in the Community. Everyone there was deeply pessimistic. The point, Mr Scott-Hopkins, is that it is no longer a question of criticizing or defending something or other; the Community itself is at stake. We have to overcome this

mood of pessimism. If we cannot manage this, we are causing more harm than we could by treading on the toes of a government which in any case has not exactly been a model of restraint in recent weeks. One must expect such a reaction if one behaves like that. There's a saying in German — perhaps it is the same in English — which goes 'Whatever a man sows, that he will also reap'. I think it would be a good idea to have a public debate and to discuss what we all have to do to overcome this crisis. We shall have an opportunity during the debate on Mr Colombo's report to express everything that has to be said on this matter.

Please do not take this as an attack on the British Government. The people who have tabled this motion would criticize any government if they felt it was not doing enough to promote solidarity in the Community.

*(Applause)*

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

**Mr Fanti.** — (*I*) Madam President, I am against the request for urgency which Mr Bangemann has apparently withdrawn, and I am also against his proposal. The motion cannot be added to today's agenda. The Liberal Members will have occasion to put forward their views during the debate which will be started by Mr Colombo.

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

**Mr Galland.** — (*F*) Madam President, I get the impression that things are a bit confused. We are still seeking urgency but in order not to prolong the business of the House we are asking for this debate to be added to this afternoon's debate, as Mr De Goede requested. If urgent procedure is adopted, this debate will become a specific item.

**President.** — Be that as it may, Mr Galland, Parliament must first of all be consulted on urgency.

I put to the vote the request for urgent procedure.

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

I call Mr Josselin on a point of order.

**Mr Josselin.** — (*F*) Madam President, the request for urgent procedure in respect of the motion tabled by Mr Jaquet was rejected this morning. We obviously

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cannot come back to that now, but I did think that another text could have been added to this afternoon's more general debate. Could we not do the same in the case of Mr Jaquet's motion?

**President.** — I think you have misunderstood what was said, Mr Josselin. Since the request for urgency was rejected, Mr Galland's motion will definitely not figure in the debate. It is referred to committee in accordance with Rule 25 of the Rules of Procedure. It will be up to those who speak to raise, if they wish, any specific questions regarding the European Council.

*6. Statement by Council and Commission on the European Council of 27 and 28 April 1980 — Need for rapid adoption of budget.*

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

- Council and Commission statements on the European Council meeting of 27 and 28 April 1980 in Luxembourg;
- oral question with debate (Doc. 1-146/80), tabled by Mr Fanti and Mr Ansart on behalf of the Communist and Allies Group, to the Council:

Subject: Need to adopt the budget rapidly after the meeting of the European Council

Considering the postponement of the European Council to 27 and 28 April,

considering the importance of the problems raised at this meeting of the European Council,

considering the increasing gravity in particular of the economic and social problems facing the countries of the Community,

considering the need for a rapid adoption of the budget,

considering the various positions expressed in the debate on questions of budgetary convergence,

Can the Council inform the Assembly:

- of the decisions taken at the European Council;
- of its position on the new Commission proposals for the budget, following the last budgetary debate;

Can the Council state its position on the need for rapid adoption of the Community budget?

I call Mr Colombo.

**Mr Colombo, President-in-Office of the Council.** — (I) Madam President, ladies and gentlemen, the European Council meeting held in Luxembourg on 27-28 April was dominated, as far as the Community was concerned, by the problem of the imbalance in the United Kingdom's budget contribution.

It seems superfluous to stress the sensitive and complex nature of this problem which involved the Italian Presidency in intense preparatory work in a search for possible common ground both on the problems of correcting the imbalance in the United Kingdom's contribution to the budget and of convergence and on a series of other problems — rationalization of Community expenditure on agriculture, agricultural prices for the year 1980-1981, sheepmeat, fisheries and energy — which are in fact related to the solution of Britain's problem.

During the preparatory talks, there was general agreement on the fact that, although the British contribution to the budget appears a bookkeeping problem, it should be seen as the outcome of factors which are deeply rooted in the nature and functioning of Community policies as a whole.

These factors — and this subject has been debated several times by Parliament — are in essence bound up with the following three considerations.

First, United Kingdom trade is still not sufficiently oriented towards intra-Community trade, with the result that, as the United Kingdom imports more from non-member countries than the other Member States, it contributes more in customs levies. Second, further difficulties are caused by the effect of high agricultural expenditure on the Community budget. The agriculture of the United Kingdom is very efficient but at the same time does not represent a great part of its gross domestic product, so that the United Kingdom receives a limited share of resources from the Guarantee Fund for agriculture. The third point concerns the failure to develop structural and investment policies which might have compensated for the British budget contribution if they had been developed adequately.

If a permanent solution is to be found to the serious imbalance in the United Kingdom's contribution to the Community budget, action must be taken in these three fields. The United Kingdom Government will have to ensure that a greater volume of United Kingdom trade takes place with the Community.

Increases in agricultural expenditure should be controlled and, at the same time, investment and structural policies should be strengthened.

All this requires time, and we are faced by immediate deadlines which force us to give at least provisional replies.

This was the background to the discussion in the European Council, where short- and medium-term factors were kept constantly in mind. Two possible solutions to the immediate problem were discussed at length.

The first concerned a substantial reduction in the net United Kingdom contribution, which, according to

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the Commission, would reach 1 683 million units of account in 1980, leaving aside increased agricultural prices (after the increase in agricultural prices, the net United Kingdom contribution for 1980 would still be about 1 750 million units of account). The net United Kingdom contribution would be reduced by handing over a fixed sum of 1 100 million units of account to the United Kingdom for three years. The British Prime Minister did not accept this offer, as she considered that it did not go far enough in reducing the United Kingdom contribution.

The second solution was to fix the net United Kingdom contribution for 1980 alone at 538 million units of account, i.e. the average of the United Kingdom contributions for 1978 and 1979. The difference, amounting to a large sum of money, would be paid by the other 8 Member States.

It was also suggested that during 1980 the Commission should put forward proposals for a lasting solution to the United Kingdom problem, and possibly also on the actual nature of the machinery for financing the Community budget.

The British Prime Minister would have accepted the suggestion to fix the net United Kingdom contribution for 1980 at 538 million units of account if future contributions had been assessed on more or less the same basis.

I would like to point out here that this agreement was bound to be provisional once it was realized that it would be very difficult to reach an agreement covering a number of years (at least three). A one-year agreement was therefore chosen, not because this was the only measure to be taken, but because one year would give the Commission time to make proposals for a complete solution to the British problem.

Other attempts were made to extend the provisional nature of the agreement for the second year, in case it proved impossible to reach agreement on the Commission's proposals during the current year. But this offer, too, was not acceptable to all those concerned.

Meanwhile, progress was being made in other areas, but again it was not sufficient to permit an overall agreement.

The extraordinary meeting of the Council of Agriculture Ministers, which was held simultaneously with the European Council meeting, was able to identify elements of agreement on agriculture (agricultural prices for the 1980-1981 marketing year and measures to rationalize agricultural expenditure), on which, however, the United Kingdom entered a blanket reservation. Further progress was also made towards the adoption of common rules for the market in sheepmeat, although it has not yet been possible to reconcile certain differences of view as to the methods of their application.

On fisheries, there was agreement that decisions which would permit the introduction of a common policy in this sector were urgently needed. It was also possible to work out some of the essential elements of such a policy. But disagreement over problems relating to the principle of equal access to Community waters remains.

We are now facing a difficult situation. We all know this just as we all realize that what is at stake is much more than the specific problem that confronts us. And because of this we must find an early solution that will be both honourable and satisfactory for all.

The Presidency, for its part, means to preserve in its efforts, in order that the remaining divergences between the Member States may be settled as soon as possible and the Community recover a maximum of that internal cohesion which will enable it to cope with today's extremely serious, complex and sensitive international situation. For the present, the Council of Ministers of Finance and Economic Affairs has been instructed to ascertain the exact amount of the net United Kingdom contribution for the time-period which may be important for the purposes of the agreement. As soon as that is done the Council of Ministers for General Affairs will take up the matter again and a determined effort will be made to find a solution.

I will not hide from you, however, that the efforts by the Presidency which, as I have said, will continue unrelentingly, would come to a halt if it should prove that there was a lack of sufficient political will on the part of all to reach an agreement within the narrow margins of negotiation still remaining. We shall continue to test for the presence of this will in the hope that all the Governments are fully conscious of how great was the effort made at the European Council in Luxembourg, that they realize that the remaining differences are not objectively great, and that they understand that unless agreement is reached on the United Kingdom contribution to the budget, agricultural prices, the sheepmeat Regulation, and a common fisheries policy — with all the consequences of these problems for the 1980 budget — consequences with which Parliament has concerned itself and is tirelessly concerning itself — and even for our ability to prepare a budget for 1981 — we shall be running the risk of a crisis of enormous proportions in every sector of our Community's life.

As regards the other topics discussed by the European Council, the Heads of State and Government dwelt primarily on the economic and social situation.

The effects of higher oil prices on growth and employment, on inflation and balances of payments, demand that absolute priority be given — the European Council asserted — to the struggle against inflation and to the correction of external imbalances by means of coherent monetary, budgetary, prices and incomes policies.



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It also stressed the need to ensure a high rate of growth in order to allow the investments necessary for the process of adjusting and restructuring production capacity.

After inviting the Community authorities concerned to coordinate closely on interest rates with the aim of reducing them as soon as possible, the European Council paid particular attention to the growing deficit in the developing countries' external accounts, the extent of the oil-producing countries' surpluses and the volume of international liquidity, and to the effects which these factors may have on the stability of the international economic and financial system and of trade. To deal with these problems it will be necessary to set in motion cooperation in appropriate forms between States and with the relevant international institutions. These matters will not only be further examined by the European Council in Venice, but will also be the main topic of the talks at the industrialized countries' Summit to be held, also in Venice, in the latter part of June.

Regarding employment, the European Council agreed that the reduction of inflation was an important factor in the struggle against unemployment; the Community's efforts to reduce structural unemployment would, however, have to be stepped up and better coordinated, taking into account the proposals which the European Council at its previous meeting had asked the Commission to submit.

On the European Monetary System, the European Council noted with satisfaction the resilience of the system, observing that the currencies taking part in it had displayed a degree of cohesion not seen since 1972.

After noting that the reduction of economic disparities and the strengthening of the weaker economies were prerequisites for the development of the European Monetary System, the European Council reaffirmed the importance it attached to progress in the coordination of the Member States' economic policies and to the reduction of economic disparities, especially as regards inflation rates.

On the transition to the second stage of the system, the European Council confirmed its resolve to see the Community progress towards the objective of monetary integration and invited the Community bodies concerned to continue with work on the transition to the institutional stage, involving the definition of the role of the ECU and the establishment of the European Monetary Fund.

On energy, after stressing the difficulties encountered by oil-consuming countries as a result of the uncertainty of supply and the high cost of crude oil, the European Council emphasized the need for close coordination of Community action, taking account of the commitments entered into by Member States

under agreements on supplies in the event of a crisis and the possibility of increasing indigenous production of hydrocarbons.

The European Council, considering agreement on a strategy for 1990 to be of the greatest importance, outlined a policy of structural changes aimed at promoting more extensive use of alternative sources of energy, the saving and more rational use of energy, and a reduction in the use of oil by industry.

I would add here, in order to give as full a picture as possible; that the position set out by the European Council has already had a positive follow-up at the meeting of Energy Ministers in Brussels on 13 May, when approval was given to a programme for restructuring Community energy consumption which included the possibility of limiting to about 40 % the share of oil in the overall energy budget.

At the European Council meeting the Commission requested the Member States to increase their efforts to develop nuclear programmes.

Lastly, the European Council confirmed the importance of international cooperation on energy and the readiness of the Community to undertake a dialogue with producing countries and to solve the problems which energy shortages pose for developing countries.

Regarding the report of the Committee of Three, the European Council took note of the work to date of the Foreign Ministers and invited them to complete their examination of the report in time for the European Council's meeting in Venice.

At the same time, it agreed that selection of the President of the Commission should continue to be made by the European Council at least six months before his term of office began and that Greece would be associated with this procedure.

On the North-South Dialogue, the European Council expressed its appreciation of the Brandt Commission report on relations between industrialized and developing countries, which it considered could be useful in the preparation of the European position in the sphere of North-South relations.

The European Council also heard a statement by the French delegation concerning a memorandum from its Government on the safety of shipping and on measures to combat pollution from hydrocarbons transported by sea, in particular in the English Channel, and instructed the Community institutions to examine it.

Lastly, the European Council, conscious of the need for constant improvement in the quality of life and hence the environment, stressed the importance of undertaking concrete action to clean up the waters of the Rhine.

**Colombo**

Before concluding, I should like to reply briefly to the oral question put by Mr Fantì and others concerning the Community budget for 1980.

In view of what I have just said concerning the results of the European Council meeting in Luxembourg and the present uncertainties concerning decisions on agricultural matters, the Council is obviously not yet able to state its own position on the budget and to submit a draft to this Parliament.

I can assure you that the Presidency is doing all it can to ensure that the decisions on convergence, the budget and agriculture are taken before the end of this month so that the Council can proceed immediately thereafter with the establishment of the 1980 budget.

I should like to explain, with regard to more recent international political events, the statement by the European Council at its meeting on 27 and 28 April, which mainly concerned two grave international crises: the Afghanistan crisis and the crisis brought about by the holding as hostages of the staff of the United States Embassy in Tehran.

With regard to the Iranian crisis, the continuing objective of the Nine is to help bring about a positive conclusion by peaceful means.

At the meeting in Luxembourg on 22 April the Foreign Ministers of the Nine considered the adoption by the Member States of the European Community of political and diplomatic measures and economic sanctions against Iran, in accordance with the rules of international law and on the basis of the Resolution submitted to the Security Council on 13 January last, which was vetoed by the Soviet Union. There was also a meeting with the Japanese Foreign Minister who had come specially to Luxembourg.

It was also decided that the Nine should approach the authorities in Tehran to request them to take steps which would make for decisive progress towards the release of the hostages.

At the same time, the Foreign Ministers said they would examine the situation at their next meeting in Naples with a view to ordering immediate application of the sanctions if no such progress had been made.

The European Council at its meeting on 27 and 28 April affirmed the solidarity of the Nine with the Government and the people of the United States and confirmed the decision on sanctions.

At the Foreign Ministers meeting in Naples on 17 and 18 May it was noted that developments were taking place in the constitutional arrangements in Iran which might prove to be of value for the solution of the problem of the American hostages but that no real progress towards freeing them had so far been made.

The Nine therefore decided to put the economic sanctions described above into immediate application in accordance with jointly agreed conditions and procedures.

These conditions and procedures were carefully studied by a committee of experts set up by the Community, and the results of these studies, as well as all the conditions and implementing procedures, were approved by the Foreign Ministers meeting in Naples on 17 and 18 May, and adopted as a joint basis for the national measures which would need to be taken.

Iran is also the subject of political and diplomatic measures such as the reduction of the number of staff in the Nine's embassies in Tehran and in Iran's embassies in each of the Nine's capitals, compulsory visas for Iranian citizens wishing to move to Community countries and a ban on licences to sell and export military equipment to Iran.

In Naples the Foreign Ministers expressed their satisfaction at the decision of the United Nations Secretary-General to entrust Mr Adib Daoudy, a member of the United Nations Commission of Enquiry, with the task of contacting the Iranian Government with a view to a resumption of the Commission's proceedings and finding a solution for the crisis. In doing so the Foreign Ministers wished to show their full support for Dr Waldheim, the Secretary-General, with whom they will maintain constant contact in order to see whether the United Nations mission makes progress with Iran.

In confirming that the embargo adopted had as its sole purpose the freeing of the hostages, the Foreign Ministers of the Member States of the European Communities reaffirmed their full respect for the independence of Iran and the right of the Iranian people freely to determine their own future.

The European Council's assessment of international problems also included the Afghan crisis. In fact, even if the problem of the American hostages has created a situation fraught with dangers and liable to unleash reactions which may be difficult to control, what has happened and is happening in Afghanistan can certainly not be ignored. It is an extremely grave fact that Soviet military forces have been in Afghanistan and have operated there since the end of last December, without any reduction in their numbers — on the contrary, they have increased.

The European Council noted that fact with deep concern. Despite the condemnation of the international community, the USSR is maintaining and even increasing its troops in Afghanistan contrary to the provision of the Resolution adopted by overwhelming majority by the United Nations General Assembly on 14 January 1980. Nor have there been any replies to the repeated requests to that end in the declaration by the Nine of 15 January last or to those of the Islamic

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countries, of ASEAN or of the majority of third-world and non-aligned countries.

The European Council supported the idea mooted by the Foreign Ministers at their meeting on 19 February, namely that in the opinion of the Nine a solution complying with the Resolution of the United Nations General Assembly could be found in an arrangement which allowed Afghanistan to remain outside the confrontation between the super-powers, returning to its traditional status as a neutral non-aligned State.

This approach by the Nine is in no way rigid or exclusive. If it were to be acted upon a particularly important part would fall to the Islamic and the non-aligned countries.

Set against this possibility there is confirmation of the rigid position adopted by the USSR that Soviet intervention in Afghanistan was brought about by external interference and that a solution to the crisis might be reached on the basis of direct agreements between the Karmal regime and the Governments of Iran and Pakistan. This position has been reaffirmed recently in all the talks which the Soviet Foreign Minister has had with Western ministers, including myself.

The European Council re-affirmed its awareness of the role that Europe can play in the attainment of an overall solution which would be lasting and fair to all the parties involved. The Foreign Ministers were instructed to report on the matter to the next European Council in Venice on 12 and 13 June. I would add that, at the Naples meeting on 17 and 18 May, part of the discussion was devoted to this specific subject, and progress was made in examining it, precisely with a view to preparing the proposals which the Foreign Ministers will submit to the European Council in Venice.

The European Council also gave close attention to the acts of violence committed in southern Lebanon against units of the United Nations peacekeeping force in that region (UNIFIL). In denouncing such acts as a serious factor of disturbance, the European Council stressed the necessity for a cessation of such acts of violence and for the United Nations peacekeeping force to be enabled to carry out fully the mandate it had been given by the Security Council.

Finally, the European Council declared it essential that crisis-management procedures be used to reduce tension and to give full support to the principles of the United Nations charter and of international law.

In conclusion, I think I have a duty to point out that this conspectus of the international situation, so fraught with dangers and serious crises, means first and foremost that the European Community should do everything necessary to overcome the internal difficulties which we have noted in the last few days, and which are specific aspects of the Community problem.

This is undoubtedly the precondition for Europe to make its voice heard effectively, not only with regard to its economic development and internal integration, but also as a tangible expression of the much-vaunted European identity of which we have spoken so often, but to which we so frequently fail to line up.

(Applause)

**President.** — I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Madam President, I am glad to have this opportunity to follow President Colombo's lucid statement about the unsuccessful meeting of the European Council which took place on 27 and 28 April. The agenda at Luxembourg was concerned primarily with three subjects, which have lost nothing since then of their sombre importance: events in connection with Iran and Afghanistan have moved on without improvement; another turn has been given to the energy screw; and within the Community we remain faced with the complex of budgetary problems which have dominated us for most of the past months.

I welcome the opportunity at this dangerous moment to seek the sustenance of Parliament on these issues.

I shall deal primarily with the clutch of budgetary problems. These are matters of the first importance for this Parliament and the draft resolution rightly underlines the need rapidly to come to grips with their different aspects. Of all of the ten meetings of the European Council in which I have participated this was the most complex. The Council was called on to to deal, or to try to deal, with almost all the major questions which the Community will have to resolve in the near future. The discussions were particularly difficult because the Heads of Government had to try to draw a comprehensive view from a series of disparate and conflicting issues. They had to balance questions of budgetary technique with the real political questions. Short-term budgetary questions were interwoven with the longer-term problems of convergence and of the future pattern of Community expenditure policies. The budgetary debate was thus inextricably linked with the debate on agricultural prices taking place in an adjoining meeting room. Other Community policies were also discussed in the same context, notably mutton and lamb, fisheries and energy. And through all these discussions ran the question of when the Community would find itself reaching the ceiling of 1 % VAT own resources.

What I want to convey is the unprecedented degree to which policies which were and are sufficiently complicated individually, were doubly complicated by being intertwined. In these circumstances it was indeed tantalizing to see how close, but without success, we came to an agreement. This was achieved by a consi-

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derable willingness to move forward from previous positions. The Commission played an active, and I hope and believe, a constructive role. I shall come back later to our compromise proposals on agriculture, but I would say now that these need to be seen against the background that I have described.

I recognize that we should not put too much weight after the event on positions that were taken up towards the end of the Luxembourg meeting. Nevertheless, positions were taken, and although they no longer have any formal status the fact that they were put forward is a clear indication of the strong desire of the participants to solve the problems. If we are not to allow that occasion to become merely a fleeting opportunity, tragically missed at the time, then never again within our grasp, then we must build upon the convergent positions reached at Luxembourg both in the reaffirmation of basic principles and in the figures to be agreed upon.

Members of this Parliament are fairly familiar by now, I think, with the positions taken. It is sufficient to say here that proposals were made for payment to the United Kingdom in 1980 which would have had the effect of reducing her net contribution to about 540 million ECU. For 1981 a similar payment which might have amounted to 1 250 million ECU was proposed and implicitly accepted by most participants. In the end what separated the Heads of Government was the extent to which in 1981 allowance should be made for an increasing UK net contribution, and whether there could be arrangements to cover 1982 in one way or another. It is clear that, although other problems remained hovering in the background, the positions on budgetary amounts came very close indeed.

I should not like to give the impression, however, that the discussion was simply a matter of figure bargaining. A very substantial amount of work had already been undertaken by officials and by the Eco Fin and Foreign Affairs Council on the principles that must guide any solution on amounts and duration. There was also agreement on the need to reaffirm the fundamental principles of the Own Resources system, of the Common Agricultural Policy and of the Common Commercial Policy. Broad agreement was obtained on the need for the Community to make use of the possibilities provided by the Treaties for encouraging economic integration and developing common policies to face up to the challenges of the 80s. The Commission's approach to the modification of the Financial Mechanism, and to additional Community measures in the United Kingdom as the means by which any payment should be implemented was endorsed. The draft resolution before you rightly notes the threat to the functioning and credibility of the Community. The achievements of the Community must not be jeopardized. But they will only be safeguarded effectively by the development of new policies which encourage the

integration of the Community and the convergence of our economies.

I turn now, Madam President, to the compromise proposals for agriculture which the Commission deemed it right to put forward parallel to the meeting of the European Council. The Committee on Agriculture has already been informed of the broad lines of these proposals, and I myself also discussed them with the Committee on Budgets at their meeting last week. They will shortly be ready in legal form when they will be transmitted to the Council, which no doubt will wish to put them before Parliament in the usual way. We do not pretend that the Commission puts forward these compromise proposals with great joy in its heart. The package undeniably contains less than we had hoped, less than we worked for, less than we wished to see. The Agriculture Ministers have once again shown insufficient readiness to adopt fully the decisions desirable and necessary to restore the CAP to full health.

Nevertheless, the Commission decided that it was right to put forward compromise proposals in the prevailing circumstances and in the interests of trying to find an overall settlement to the complex of problems facing the Community. The broad lines of this package contain several important and positive elements both justifying our decision to put it forward and offering ground for hope for the future.

First, the level of prices. Our original proposal was for a 1.5 % increase in products in surplus and a 3.5 % increase in general for other products. Those figures have been increased by 2.5 % across the board. This must be seen against the background of other price movements and longer-term trends. In the course of last year, the Council reached decisions on common prices and agri-monetary changes which had the combined effect of raising average farm prices in the Community by around 6.4 % but, of course, with considerable differences between Member States. I emphasize that this was the *combined* effect of the common price increases and the less obvious — but equally real — changes in green money, including substantial devaluations of green rates for several Member States. This increase last year at the farm-gate level of about 6.4 % on average throughout the Community was against a background of general price inflation of about 8 %.

This year, the situation is significantly different. With increases of between 4 and 6 % in common prices — it is still below the 7.1 % indicated by what has become known as the objective method — we will this year have relatively small changes only in green money, for the scope for such changes is now less because of the rapid disappearance of negative monetary compensatory amounts. Although the average effect this year would be an average increase of around 5.7 % in support prices at the farm-gate, it will be the lowest for many years. This in turn has to

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be seen against a background of accelerating increases in costs higher than in previous years, and in prices, particularly for energy, which will give an average inflation, as against the 8 % of last year, of certainly more than 10 % in the Community.

These figures speak for themselves and show that the price package of the compromise proposals, although less rigorous than we originally proposed and would have liked, is still well within the limits of a prudent price policy.

Second, there is the milk sector. The package includes an increase in the coresponsibility levy from 0.5 % to 2 %, somewhat higher than the 1.5 % which we proposed; and this must be taken into account as an offset in evaluating the 4 % increase in the common price for milk. In addition the Council has accepted that if production of milk increases in 1980 by more than 1.5 % the farmers should be fully responsible for the financial costs of this additional production. The modalities of this so-called supplementary levy have still to be defined and agreed upon, but the principle has now been settled and accepted.

This is an important first step. There is also in the package a wise and long-awaited decision to limit the investment aids given in the milk sector.

Third, Madam President, the budgetary consequences. The Commission presented in January, as you and the House are aware, a figure of 10.4 billion ECUs for the Guarantee Section. Subsequently it has become apparent that this figure would inevitably have to be increased to about 11 billion ECUs, not because of policy changes, not because of price proposals, or the Council's decisions, but because of the market factors operating in the first few months of this year, and indeed because of the Council's own failure to take the necessary decisions on prices. We now estimate that, with a price package on the lines I have explained, the Guarantee Section for 1980 will be about 11.5 billion ECUs. That is against the 10.4 we originally thought in January, which had risen inevitably to 11 before the changes which we made. This is certainly in itself an unwelcome increase. It will not simplify the outstanding problems of the 1980 budget. But it is nevertheless an increase of only 10 % over 1979, a far better result than the 23 % increase which has been the average for the Guarantee Section for several past years.

I welcome the spirit of the Parliament's draft resolution where it deals with the questions which were considered at Luxembourg. I shall leave aside the important question of procedure and timetable for the 1980 budgetary proposal. My colleague Mr Tugendhat will deal with these matters when he intervenes later in the debate. However, I wish to emphasize here that the Commission has put forward its budgetary proposal and we consider it imperative that a budget be rapidly adopted by the budgetary authority. There

are dangers in further delay for the Community and its institutions. The Commission has never considered it desirable or necessary to link together issues which should be treated on their own merits.

On the importance of a rapid solution to the problems of convergence and the budget, there is no real difference between us. The solutions which the Commission has proposed are close to those put forward by your Committee on Budgets and your Committee on Economic and Monetary Affairs. Much work has been put into ensuring that these solutions respect the principles through which the Community has over its history achieved so much. I do not believe that our proposals need give rise to concern for the principles of the Own Resources System or the common agricultural policy. We have these at heart as much as does the Parliament. We have proposed, and it was this basis which the European Council took for its discussion, that payments to the United Kingdom should be temporary. To ensure that they need be no more than temporary we must work to develop new Community policies helping to bring about a greater integration of the Community's economy and more equitable budgetary results than we at present have. In this respect, the draft resolution is right to recall Parliament's insistence on the need to keep the increase in agricultural expenditure within limits compatible with a sound balanced budget. Our footsteps may occasionally seem faltering, but there is no doubt in my mind they are still on the right road.

We need now to look ahead to the period — the short period — before the next European Council and we need to make progress through the usual Community institutions and procedures. We have now, to an extent that we did not have before Luxembourg, all the elements necessary to take us through the issues that we have struggled with for the past year and which have dominated and damaged Community life during this too-long period. In the interests of the whole Community we must rapidly regain the road to an overall solution.

We can now see more clearly than before the way in which all the interlocking elements of the puzzle fit together. We are past the time when we can, or should, start to re-examine each piece; we must now rapidly put them in place to complete the picture of the Community foreseen in the Treaty of 'a harmonious development of economic activities, a continuous and balanced expansion and an increase in stability'. The future is gravely hazardous but it is by no means without hope. We must ensure that by the efforts and goodwill of each of our institutions, that hope becomes a reality.

*(Applause)*

**President.** — I call Mr Fanti.

**Mr Fanti.** — (*I*) Madam President, ladies and gentlemen, I must say first and foremost that I regard as totally inadequate and unsatisfactory the statement made by Mr Colombo on the outcome of the European Council and the subsequent meetings. All he did was to make an exhaustive summary of the decisions taken, and more especially, the decisions not taken, at those meetings, which we already knew about from the communiqués. I therefore regard as inadequate and unsatisfactory Mr Colombo's reply to the oral question tabled on behalf of the Communist and Allies Group.

This criticism is prompted above all by the need to make an assessment of the present crisis in the European Community and of the solutions which must be suggested rapidly and as forcefully as possible in order to emerge from the crises and avoid the disintegration of the Community. On behalf of the Italian Communists and Allies I shall try to explain the basic reasons for our criticism. The Community is now going through what is perhaps the most decisive phase of its existence. The crisis in the Community is not merely a possibility but already a reality. For a year now, and therefore since some time before the sudden worsening of the international situation, Europe has been without a helmsman, or rather it has had an unqualified helmsman — which is what the European Council, outside the scope of the Treaties has become — incapable of taking even the most trivial decisions. The failure of the Dublin Summit last November has been followed by the lack of any result at the recent Luxembourg Summit.

In this connection it should be said very clearly that any attempt to cover up or play down the highly negative significance of these failures is entirely misleading. The failure of the Luxembourg meeting is particularly serious, because the illusion had been fostered that, faced with the increasingly serious and much more urgent problems of peace and war in the world, the leaders of the Member States would have the necessary incentive to find solutions to European problems. The reality is that at present the Community governments are failing to give Europe the international role and function which should fall to it by reason of its historical and cultural heritage, its tradition as a source of political ideas, and its weight in international life. The internal crisis, which has gradually worsened over the last decade, with the widening of regional and national imbalances and the inability of Community governments and institutions to reverse this tendency, has become combined and closely interwoven in the last few months with the Atlantic crisis — the crisis in relations between Europe and the United States. Faced with the frighteningly rapid deterioration in the international situation, the governments of the Member States have been incapable, within the framework of the Atlantic Alliance, of arriving at a common European position.

Faced with the problem of the insane race to replace nuclear missiles, the need to find at long last a solution

to the problems of the Palestinian people and the whole Middle East, the need for Soviet troops to be withdrawn from Afghanistan and for the latter to resume its role as a non-aligned country and enjoying full sovereignty and independence, the urgent need to restore normal friendly relations and trade with Iran through the release of American hostages and the recognition of the present Iranian reality — faced, that is, with the unsolved and tragic problems which imperil the peace of the world, the road to seek and to follow in order to arrive at a European position cannot be — in the name of a misguided interpretation of solidarity — that of meekly accepting unilateral decisions taken by the United States without any consultation — particularly when those decisions tend only to exacerbate and aggravate the crisis, and even come close to sheer adventurism, as shown by the abortive and absurd American operation in Iran.

This road would lead not to European unity but to disunity. The Foreign Ministers of the Nine may well meet in Naples and in one night — but what on earth went on that night, Mr Colombo? — move from a prudent and moderate position to a hard-line position involving sanctions against Iran, but that decision is not enough if, as happened the following day, the Ministers' decision is at once disavowed by the British Government, and there is no guarantee that other governments will not follow suit. One may well follow the policy of boycotting the Olympics, but the result will certainly not be the withdrawal of the Soviet troops from Afghanistan, but dissension among sportsmen, as occurred in Germany or as happened yesterday in Italy, when the Italian Government was confronted with an almost unanimous refusal from the National Olympic Committee.

The only way to create unity in Europe and the world is to resume a dialogue, or at least to reverse the dangerous tendency to renewed confrontation between the two superpowers, all the more so now that, from Warsaw, Kabul itself and Tehran, proposals and prospects of negotiations are emerging which, as recent events have shown, must be welcomed and carefully assessed both in Europe and in Islamabad.

Faced with the international crisis and the dangers to world peace, Europe can therefore find a role within the Atlantic Alliance by encouraging the resumption of the East-West dialogue, arms reduction talks which would provide adequate guarantees for all European countries, and the gradual elimination of existing sources of tension combined with respect for the independence of peoples and the sovereignty of nations.

For this reason a thorough reform of this Europe, of its policy, of its very mode of existence is needed, and the initiatives undertaken by us, the Italian Communists, to bring about a fruitful relationship with the other democratic political forces follow this line. It is a question of bringing about an understanding which

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would lead to the reunification, on a new basis, of all the forces which truly represent the working class and the popular masses — of whatever democratic persuasion — in Western Europe. This same democratic commitment guides us in tackling the internal crisis in the Community.

Last November, when the European Parliament rejected the 1980 budget, we had explicitly asked for a start to be made on far-reaching reform of EEC policies starting with the agricultural policy. The responsible bodies — the governments — took no notice of these requests. On the contrary, by refusing to consider them they have plunged the whole Community into an institutional and financial crisis which has become increasingly severe as the months have gone by.

These, then, are our proposals, which seek to provide a solution to the present serious crisis, beginning with the rapid adoption of the 1980 budget. Our proposal envisages essentially that the new version of the budget prepared by the Commission be adopted although it is inadequate, without waiting for the European Council to find the solutions which it has shown itself incapable of working out. In the Committee on Budgets a broad convergence and unity of view developed among the political groups on the need to express a firm and unified position in this debate, and we associate ourselves with this. It is now up to the Council to shake itself out of its silence, its inability to act and its delays. There is an urgent need for rapid action. The Council of the Communities, a political body which has direct economic, administrative and institutional responsibilities, must now defend itself against the very serious charge of a real neglect of official duties. That is why we forcefully ask the Council of the Communities to begin the consultation procedure, and thus, working together with the European Parliament which is the other budgetary authority, redress a situation which could otherwise have much more serious consequences for the very life existence of the Community, once it could encourage the beginning of a process of disintegration resulting, for example from decisions taken unilaterally by the governments of the Member States.

If the June Summit were also to be a failure — I shall conclude with this remark addressed to Mr Colombo, Madam President — the Italian Presidency could not end in a more bitter and dangerous way, in spite of all the expressions of goodwill.

*(Applause)*

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

**Mr Arndt.** — (D) Madam President, before I begin I should like to ask you whether it would not be advisa-

ble to hear the report of the Committee on Budgets first, because I assume that most of the speakers in the ensuing debate will refer to the Committee's motion for a resolution. I realize that this is not all that easy from the procedural point of view, but it would be more sensible to hear the presentation of the Committee on Budgets' motion for a resolution before continuing the debate proper.

**President.** — Mr Arndt, the idea was to give the floor to Mr Dankert, Mr Maffre-Bauge and Mr de la Malene after hearing from the spokesmen for the political groups. By giving priority to the three speakers presenting the three motions for a resolution, subsequent speakers will be able to take this into account in what they have to say. I think that this is in line with the Rules of Procedure and also deals with the point you just made.

If there are no further comments, we shall proceed.

You may continue, Mr Arndt.

**Mr Arndt.** — (D) Madam President, it is evident from the statements we have heard that the world is in a difficult situation. On the one hand, we have serious international crises over Iran, Afghanistan and the Middle East; on the other hand, we are facing serious problems within the European Community in connection not only with the budget, but also with those policies which are the Community's responsibility. There is, for instance, the Common Agricultural Policy, which this House at least agrees can only be saved if changes are made.

There are also problems regarding the British contribution to the Community budget, and these problems have now come to a head. This House has pointed out often enough in the past that the major task of the European Community is to ensure Community solidarity and see to it that those areas and regions with unemployment and structural problems and the like are given much more assistance than in the past, and to ensure that imbalances are corrected. We heard from the President-in-Office that the recent talks also covered the European Monetary System, and we all know that the EMS can only work properly if we in the European Community succeed in implementing regional and structural policies to help the poorer regions of Europe. In the present situation, the important thing is that the Member States of the European Community should, above all, make a major contribution towards solving the current international crisis. Unfortunately, nothing of the sort has so far happened and the fact is that all the aspects of foreign policy for which the European Community is responsible have had to take second place to the question of whether a few hundred million units of account more should be spent here or there. We all realize how important budgetary questions are, but we also realize that, once

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the first cracks start to appear in the dams and the floodwaters threaten to engulf us, there is no point in having domestic wrangles as to how the housekeeping money is to be spent. It is more important to ensure that Europe is able to play its part between the two major power blocks. In a situation like this, it is up to Parliament to do its bit to ensure that we can play our rightful part and to ensure that the Nine's foreign policy decisions and above all our powers — our peace-keeping powers — are used to mediate between the two major power blocks in this critical situation.

This will only be possible, however, if this House produces large majorities to support its decisions. This House will only be able to fulfil its allotted task if all the groupings make their views known with as large a majority as possible, so as to enable us to overcome the discord on certain points. I therefore think it is right for this House to try today to speak with one voice and thus to reduce the disagreement on the budget to what it really is, namely disagreements which can, in the final analysis, be solved by majority decisions.

I believe that the motion for a resolution tabled by the Committee on Budgets is a praiseworthy attempt to produce as large a majority as possible in this House to show the way to reaching any kind of decision. The purpose of the Committee on Budgets' decision is not to get Parliament to adopt a detailed stance, nor is it to get Parliament to declare that what ever was decided in Luxembourg will subsequently and irrevocably be part and parcel of the budget. Parliament cannot reach a final decision until it is presented with the budget proper.

That is why I think a budget should be presented and why the Council should abandon its refusal to put forward a draft budget. As far as I am concerned at the moment, the actual form of this draft is only of secondary importance. The important thing is that this House should be given the chance simply to state its opinion on the budget. I believe personally that the Luxembourg compromise, as negotiated by the Heads of Government, was basically wrong, because it would have destroyed the own resources situation of the European Parliament and the European Community as a whole. But it would not bother me if this compromise were to be incorporated into a budgetary proposal, just so long as we Members of Parliament are given a budget on which we can decide in detail how we stand, for instance, with regard to the situation in the Common Agricultural Policy. I certainly do not take the view — and here I am speaking on behalf of a large part of my Group — that the agricultural prices set out in your last proposal are exactly the height of common sense. But that, for the time being, is not the point. What is important right now is simply that proposals should be submitted to this House so that we can reach a decision at last. I tend towards the view that your February proposals were good, but — let me repeat — that is not what is involved in this

motion for a resolution. This House must simply be given a chance to reach a decision on the budget, on the Common Agricultural Policy and on the British contribution.

That is something we must insist upon, and I think the time has come for us to point out that, in this respect, the Council has so far not fulfilled the duties imposed on it by the Treaties. The Council must submit a draft budget to this House. I have no time for a Parliament which issues exaggerated threats for the sake of appearances, but the Council must realize that it is obliged under the Treaties to present a budget to the European Parliament. The Council must realize that if it fails to present a budget, it will be in breach of the Treaties, which is tantamount to being in breach of our constitution. This kind of thing just cannot go on. The Socialist Group therefore calls on this House to produce as large a majority as possible to show the Council once and for all that we need a draft budget, and the Council itself should recognize the importance of the budget and that the voice of Europe can only be heard effectively in the field of foreign policy and in the interests of *détente* if we in this House are capable of reaching decisions by large majorities. This may well be another decisive moment in the history of this Parliament. I hope that the House will grasp the opportunity it is now offered.

(Applause)

## IN THE CHAIR: MR ZAGARI

(Vice-President)

**President.** — I call Mr Rumor to speak on behalf of the Group of the European People's Party (Christian-Democratic Group).

**Mr Rumor.** — (I) Mr President, ladies and gentlemen, I would like to thank the President of the Council of Ministers for his clear and honest statement. It reflects the political will of the Italian Presidency and its commitment — I would like to give credit for this also to Mr Cossiga — to overcoming the serious double crisis now affecting the Community.

It seems to me that you, Mr Colombo, implied that the disagreement at the Luxembourg meeting, and its consequent failure arose not so much from the complex of thorny and interwoven problems on which significant progress was made, as from the important, complex and delicate, but clearly defined problem of the amount and duration of compensatory financial measures to help the United Kingdom.



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But it is precisely this fact which makes the negative result more serious and even incomprehensible, especially if one takes account of the intensive efforts at mediation and reconciliation which took place after the Dublin Summit.

The double stalemate substantially paralyzes Community activity, blocks progress on the budget, creates disturbing uncertainties and obstacles and threatens to provoke unilateral action on the part of the Member States. Moreover — and more worrying in political terms — it undermines the credibility of the institutions and of their political will in the eyes of the peoples of Europe, our partners and the world.

In reality this failure — as you said — has deeper causes. The British case is only a revealing indication. However, its most alarming implications must be taken into account. Any hardening of attitudes prevents negotiation, and — even more serious — any temporary remedy for this imbalance — a remedy which it is only right to provide — must only be envisaged for the short term, since to extend it for any length of time would carry the risk of introducing and consolidating distorting mechanisms in the Community structure.

But the mistake has deeper roots. It originates in the distortions and inactivity which weigh heavily on Community affairs. If was precisely in its rejection of these that Parliament, transcending national differences, reached a broad consensus when it rejected the draft budget last December.

This requires a general rethinking of Community policy, if we do not want the Community to abandon the process of unification and integration which was not only the aim of its founders but which also — from the ECSC to the EEC and the agricultural policy itself, for all its mistakes and distortions — still inspires, and is the basis of, the construction of Europe.

Now, however, there is one urgent and overriding need — to end the dispute, find a reasonable compromise, and reactivate the mechanisms related to the Community budget. It is neither feasible nor acceptable for the paralysis of Community activity to last any longer, when it has already lasted for such a dangerously long time. The haggling must cease. For this reason, the Council must make every effort to ensure that the 1980 budget is approved and comes into operation by the end of July. Both Council and Parliament are budgetary authorities, and it is in the interests of both institutions to work together.

You, members of the Council, have a responsibility conferred by the Treaty. For our part, apart from the responsibility which the Treaty confers on us, we also carry that of elected representatives who are directly answerable to the peoples of Europe, and we have a duty to show that we have done everything possible to

ensure that the Community does not deteriorate further. We intend to fulfil this duty.

The speakers who follow me will no doubt make practical suggestions. For my part, I only wish to stress that this is an extremely important test of our institutions. We must make a choice, and we must show that we are aware of our Community identity, otherwise we shall have to fall back on retrograde ideas which would mark the decline of Europe as an active economic and political force. We must not allow our ideals to become tarnished by the anti-Community philosophy of the 'fair return'. Convergence must not be thought of in terms of balancing the books, but in terms of overall policies to overcome the existing imbalances and make possible the 'harmonious development' which is the essential for the progress of the Community.

And you, members of the Council, do not make a shibboleth of unanimity, but hold firmly to the Treaty.

*(Applause from the centre)*

Majority voting is the only way to prevent the Community from degenerating into mere haggling. Great challenges await us in the eighties which are different from those of the fifties but which must be faced with the same courage, the same imagination and the same firm political will which the founders of the Community showed in times, and faced with problems, no less difficult than our own. I am thinking of the economic and monetary, energy technological, regional and social challenges which are in store for us. These must be faced without flinching and tackled without delay if we wish to make progress towards that political union which the Paris European Council six years ago set as a medium-term goal with a view to an overall integration policy.

However, with our distinctive approach, our political identity, and our responsibility to make our united presence felt, we must now face the serious crisis which the world is going through in a number of troubled areas. Any absence or dispersion of European efforts at this juncture would be unpardonable.

We welcome the agreement reached in Luxembourg on the more pressing questions of world affairs, and for that reason the contrast disagreement issuing from the European Council is all the more bitter and mortifying a blow. The commitment you mentioned — to enable Europe to carry out the role which it can and must play in the Middle East to bring about an overall solution ensuring a fair and lasting peace — is a timely one. In the face of the Soviet Union's aggression and armed occupation in Afghanistan, the proposal made by the European Council has our approval — to restore to the Afghan people their right to self-determination and their original status as a non-aligned country, free from interference by, or the military

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presence of, the superpowers. We also welcomed your reminder about the specific role of the non-aligned Islamic countries and your offer of cooperation on the part of Europe. The decision on the problem of the American hostages in Iran seems equally responsible and wise. Parliament acknowledges the right of the Iranian people to follow its own destiny and provide itself with institutions corresponding to their historical, political and religious characteristics. The Islamic Republic of Iran knows that it can count on European understanding and cooperation. But the inescapable precondition is the restoration of and respect for the right which has been violated.

The Community has tried every other approach — as you, Mr Colombo, reminded us — in dealing with this unacceptable violation of international law, before finally deciding on sanctions. But after a reasonable waiting period, they could be postponed no longer. Although it is right to consider any further effort to achieve a negotiated release of the hostages, it would in our view have been a serious mistake to prevaricate any longer. Of course the decision is also an expression of our dutiful solidarity with the United States and its people, whose dignity and feelings have been injured, but it goes beyond the bonds of alliance, although those bonds have their moral weight for eight countries of the Community. It is dictated by devotion to law, respect for international rules and, the need for the freedom of individuals to be safeguarded everywhere.

I associate myself with what you said some months ago from these benches, Mr Colombo — that solidarity with any country which is the victim of an outrage is not only right and proper, but gives the Government and people of the United States greater confidence in the possibility of a negotiated solution to the crisis, and justifies our expectation of timely consultation as the affair develops.

Are there any promising developments in the troubled East-West relations? Certainly not the obviously propagandist and unacceptable proposal made by President Karmal, Mr Fanti. There is as yet no prospect of an early release of the hostages, but at least the firmness shown has kept the question open. One thing is certain — history teaches us that the timidity and uncertainty, opportunism and egotism of individuals and nations provide opportunities for tyranny and oppression. They do not serve the cause of peace, but erode its foundations and prepare the way for war.

But here a problem arises. Here there is a risk of superimposing one crisis on another in the Community. What steps should Europe take in this minefield? Does Europe speak with a single voice? Let us admit that today it would be inappropriate to say so. Hasty and uncoordinated initiatives — there is no need to list them, because we are all aware of them — make the Community a disunited partner and diminish its credibility. Its image is thereby weakened and obscured

precisely when the world situation requires it to display its full lustre. And yet mutual information, the achievement of a consensus, and consistency are not only the basis of political cooperation — they are above all essential if the Community is to be regarded as a worthwhile partner by all, and particularly by the United States, from whom we must insist on being treated as an equal, and therefore on information, consultation and agreement. But if we do not inspire confidence as a united and credible partner, we shall only have ourselves to blame if that country were to seek other partners. And yet we know that we are historically fitted for a role of wise and balanced partnership, which is essential to preserve the world balance.

The Eastern European countries and the Soviet Union are inexorably pursuing their aims of dividing Europe, creating a split in Western unity, and negotiating separately with Western countries, for they think that such tactics will facilitate a policy of destabilization and expansion. We are convinced supporters of *détente*, for we regard it as essential for world peace and equilibrium, but only if it is not merely indivisible and global, but also guaranteed by a balanced dialogue in which the voices are of equal weight and authority. We can only meet this condition if we are united.

It is the world of the non-aligned which, by moving away from both the major blocs, is acquiring increasing self-awareness — I am thinking particularly of the Arab world, but allow me to mention also Latin America — and is showing the appreciation which our flexible policy deserves. However, for the relationship to grow in strength, a united and cooperative dialogue is required.

But just think of the damage being done to one and all — even to those who think they are self-sufficient in prestige — by the disavowal in practice, through a multitude of national initiatives, of that joint dialogue which had been solemnly declared in Luxembourg to be the aim.

Mr President of the Council, you have the necessary institutional and personal authority to ensure respect for the rule of consultation and the search for a consensus on problems which the Community must tackle now and in the near future. We ask you to convey to the Council and the Governments of the Member States the deep dissatisfaction of this Parliament, of the people's elected representatives . . .

*(Applause from the centre)*

. . . and our demand that this dispersion of effort cease, and that Community solidarity be manifested in the field of political cooperation, which for so many reasons is now interwoven with Community policy as envisaged by the Treaties. We are not concerned only with the political vitality and prestige of the Community, but with the inescapable duty that it has in terms

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of the peace, development and historical continuity of the human race.

Mr President, ladies and gentlemen, all of us — Parliament, Council and Commission — are involved in this dual crisis which requires us all to cooperate more closely and make a conscious effort to achieve unity in the search for solutions. Once more there is a clearcut choice between the retrograde temptation of a centrifugal power structure determined by national needs, however understandable, and a progressive and open view which takes account of and resolves those needs in a Community structure and encourages the progress of the Community. It is not the first time in our history that we have been faced with such a stark choice. But this is now happening against the background of a dual crisis, which requires that unity should prevail in both theory and practice, so that the Community may survive and grow. There is a streak of pessimism running through the thinking of many of us.

Let me remind you that Jean Monnet used to maintain that it is in times of crisis that the Community regains its self-awareness and makes progress. I have confidence in Jean Monnet's lucid insight, and I am sure that he will be proved right once again. This outcome is possible, as long as all of us want it and seek to achieve it.

*(Applause from the centre)*

**President.** — I call Lady Elles to speak on behalf of the European Democratic Group.

**Lady Elles.** — Mr President, in the last few weeks we have seen a considerable number of high-level European meetings, including the recent one of the European Council of 27 and 28 April, which we are now discussing. Nevertheless, we have so far failed to find solutions to our internal domestic disagreements, or to take effective political or diplomatic measures against those who not only threaten, but are seeking to destroy, the peace and security of the free peoples of the world.

In our domestic affairs, we wish from these benches to express our respect and admiration for the very great efforts being made by Mr Colombo, President-in-Office and by Prime Minister Cossiga of Italy, and while recognizing these efforts to attempt to reach a settlement of our internal differences, we implore them to continue with their good offices, to try and reach some equitable solution as soon as possible; we rely on them to use their good offices for achieving conciliation and understanding among all our governments and our peoples, in order that the strength and energy of the West is used, not to divide us on domestic issues, but to unite us in dealing with the grave issues demanding vital decisions for our security and even our survival.

If Afghanistan seems to us a remote and far-away country, the destabilization in Vietnam and the genocide and consequent political vacuum in Cambodia were geographically even further away. Now, however, we have even nearer the destabilization in Iran and the troubles in the Middle East: these are coming even closer to our own geographical area and are beginning to threaten our supplies of raw materials and the trade routes on which we rely and which are of immediate interest to Europe. It is on these matters that Europe should be taking a lead, in cooperation and in agreement on a European policy, not only to react in support of our allies, but to formulate ourselves the necessary policies to be implemented in each situation.

In all the situations to which I have just referred, the principles of international and natural law are being violated and contravened and the Charter of the United Nations and a number of UN Security Council resolutions and UN General Assembly resolutions are being ignored with total indifference and cynicism. Despite numerous condemnations, Soviet troops are still in Afghanistan; and, as President Colombo himself recalled, their numbers have not decreased in recent months but have increased, and they most certainly have not withdrawn. The atrocities being perpetrated are legion, yet they are not making the headlines in our Western newspapers. There is apparently no British correspondent, for instance, covering the region. In Britain, therefore, there has been little or no news on the internal situation and yet Olympic Committees and young athletes are expected to make judgments on whether to go to Moscow or not. Would they go to Moscow if they knew that the Soviet Government ordered their troops to shoot down women and children, that 300 women recently were slaughtered in the main square of Kabul because they came out in protest against the murder of one of their own colleagues in the square the previous day, that napalm and gas have been and are being used, that whole villages have been machine-gunned from the air so that there is no more life there, and that 700 000 Afghan refugees have poured over the borders into Pakistan? Is it conceivable that anyone, including athletes, can believe that that is compatible with the Olympic spirit and the maintenance of peace?

*(Applause)*

If, in a free part of the world with a free press, we cannot convince our own people of the facts, it is very much harder to convince those living under a fascist government, with government-controlled media. Only by a major gesture, therefore, can the free peoples of the world, the non-aligned countries and the West, attempt to bring home to the people of Russia the enormity of the crime committed by their government. The policy of *détente*, indivisible and global as we maintain it should be, cannot even be under discussion with any conceivable degree of realism until all Soviet troops are withdrawn and measures are taken to

Lady Elles

enable Afghanistan to maintain a situation of neutrality with all the prerequisites of international guarantee.

Of another order is the continued retention of the 51 American hostages — another crime of another dimension, which again must be solved by peaceful means and by a combination of political and diplomatic actions. The magnificent and daring rescue in their own embassy of Iranian hostages by our own special troops in London should have been a lesson to the Iranian Government and an opportunity for positive response; but we shall have to continue to make every effort to assist our American friends in achieving their object. The combination of an unstable Iran and the menacing position of Soviet troops in Afghanistan is, of course, not lost on the Gulf states and Saudi Arabia. The European Community, therefore, must take the necessary initiative to strengthen political stability in this area.

It is no longer possible to conceive of any solution which does not recognize the legitimate rights of the Palestinian people, a right to self-determination and consequent right to territory that they can call their homeland without fear of the invasion and destruction of their homes and their families by any neighbouring state. There can be no peace in that area unless in some way the Palestine Liberation Organization is brought into the negotiation for a settlement and the sufferings of the Palestinians over the decades are brought to an end.

In conclusion, Mr President, whether we agree or not — and, in parenthesis, we fully agree — with all the efforts that our Foreign Secretary has made, both on behalf of the United Kingdom and on behalf of the European Community, to reach settlements in cooperation with his fellow Foreign Ministers, the result may be regrettable, but the democratic processes of national parliaments must be respected, whether Members here approve of their decisions or not, just as we demand that our decisions in this House be respected by members of our national parliaments. It is therefore useless to condemn, whether we agree with it or not, a free decision taken by a free people in a free parliament, and this must be respected whichever the country and whichever the political party we come from. The day we can no longer tolerate disagreement being freely expressed, democracy will be dead. Now this, of course, is a different consideration from initiatives freely decided by individuals stepping out of line with their political colleagues.

Finally, Mr President, I would like to say that I certainly will welcome the day when the decisions of Foreign Ministers taken in political cooperation and the value and significance of those decisions are finally approved in this House of Parliament representing the whole of the peoples of Europe.

(Applause)

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

**Mr Baillot.** — (F) Mr President, the latest meeting of the European Council comes scarcely a year after direct elections to the European Parliament.

It is therefore of some interest to assess its results in the light of the promises made and the prospects painted at that time by various groups over a large part of the political spectrum, from the Right to the Social Democrats. What a contrast! The impression the public has of this meeting on 27 and 28 April between the leaders of the Nine is of failure, as the President-in-Office of the Council and the President of the Commission have just admitted. Yet the elections a year ago were presented as being full of hope.

The outcome of this European Council is indeed particularly grim for the workers of Europe. Above all, the outlook is grim for the farming community, and the speech made by the President of the Commission can but confirm our fears. As we have said before, for the past five consecutive years farmers in France have seen a fall in their purchasing power. Their costs continue to increase relentlessly. Everything they buy is going up in price more and more quickly, and although it is now May there has been no decision on any substantial increase in the prices of their products, which explains their discontent, indeed their anger, at what they regard as an injustice.

But how have we got into this situation? Once again, the question needs to be asked, and an answer must be given, for we cannot allow the true responsibilities to go undisclosed. In fact, there is nothing surprising in the refusal of the Ministers of Agriculture and subsequently of the Heads of State and Government to adopt a price increase which would safeguard farmers' purchasing power. This goes back a long way, and there is no hiding the fact that this House made a substantial contribution. It was this House which, in adopting the Brussels Commission's proposals in last December's vote on the budget, raised the axe to slash the appropriations for the Common Agricultural Policy. In that the logical consequence is either a freeze or a manifestly inadequate increase in farm prices, this had a twin objective.

Firstly, to sanction what some people call the restructuring of agriculture, which means the disappearance of hundreds of thousands of small farms, the annihilation of whole sections of agriculture and the decline of this sector in the two great agricultural countries of the Community, France and Italy. This is the dovetailing policy for agriculture, the policy of adapting our farms to a new international division of labour in agriculture, designed by and for the multinationals of the agri-foodstuffs industry.

The second objective of this policy, which supplements the first, was to release further funds at Community

**Baillot**

level to promote restructuring not only in agriculture, but above all in industry: grubbing up vines and olive trees and closing blast furnaces and factories go hand in hand. The policy is the same. This approach has met with the determined opposition of farmers whose cause, as we have been able to see here in Strasbourg, has recently developed into a major struggle. In the face of this opposition, those who only a few months ago were eager to wield the axe are hesitating. Since Community solutions are unpopular, it is difficult to reach agreement. There is a certain amount of evasiveness, and a growing tendency to shift the blame for failure on to this or that other partner. But in any case it is always at the people's expense that compromises are finally reached.

The European Council has met at a time when the policies of austerity, coordinated at European level, are bringing economic growth to a halt, causing further increases in unemployment, a general deterioration in the economic and social situation and a widening of the gap between countries and, within the same country, between the various social categories. In this respect the failure of the European Council reflects the difficulties involved in implementing these backward-looking economic and social policies in the context of a worsening crisis. The failure of the Council also means no progress on the budget, which has still not been passed, although we are almost half way through 1980.

As regards the British demands on their budgetary contributions, they remain unresolved despite the major concessions made by the other governments, which all amount to rewarding a failure to respect the rules of the Community. To justify her demands, Mrs Thatcher is trying to transfer responsibility for a particularly serious and continuing crisis which has struck the economy of her country, although this crisis is the consequence of the policies pursued over the years and plays utterly into the hands of the feudal lords of industry, to the detriment of the workers of Britain.

This impression of confusion left by this European Council, which is reflected in the discussions here in this House, must not, however, blind us to the common determination to pursue and even intensify the policies of austerity, with the unemployment, the destruction of industries and the abandonment of national interests they bring in their wake. This also means the common determination to pursue, on the same basis, the integration of Europe and to enlarge the Community to include Greece, Spain and Portugal. During last year's election campaign we French Communists were alone in our country in taking stock of the harsh reality of 20 years of European integration. We said that with direct elections to the European Parliament the partisans of supranationalism wanted to push ahead still further along the same path. We were right. The situation has deteriorated still further and the European Parliament has simply served as a democratic cover for the extremely reac-

tionary policies for which our peoples are at present paying the price.

Lastly, and I shall conclude on this note, the only point on which the Council can be said not to have been a failure — although, as we have seen in the course of this sitting, contradictions have become apparent — is that of Afghanistan and sanctions against Iran. For those who talk about the independence of the Europe of the Nine, is it not significant that the only decision taken by the European Council was to declare its solidarity with American policy towards Iran, including the unsuccessful military raid? This is the solidarity which brings together, across the Atlantic, the capitalist governments of Europe and North America, which ensures the real cohesion of the Community and is behind the determination to overcome the conflicts of interest which continually make themselves felt in Europe.

In the European symphony everyone keeps to his score, from the Commission in Brussels to the European Council, not forgetting the European Parliament. The parts supplement one another and the great theme being played under the conductor's baton is not that of peace, nor of economic and social progress or the establishment of a new world economic order, but that of ever-increasing profit with its inevitable accompaniment of neglect and economic, social and cultural decline.

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

**Mr Rey.** — (*F*) Mr President, Mr President of the Commission, Mr President-in-Office of the Council, ladies and gentlemen, the crisis we are faced with is a serious one because one of our Member States is in open disagreement with all the others and with all the European institutions, in that so far neither this Parliament, nor the Council, nor the Commission has accepted the London government's arguments.

The fact that my colleagues have asked me to speak first on their behalf is understandable in that this situation is not new and this is not the first time we have had a similar crisis in the Community. It may be no bad thing for someone who experienced the previous crisis to go briefly into the lessons to be drawn from it. It was 15 years ago, in 1965, that one of the Member States, France, disagreed profoundly with its partners. The illustrious President of France, General de Gaulle, vexed by the proposals put forward by the Hallstein Commission — of which I was a member, with responsibility for agricultural and financial matters — declared war on the Commission and on 1 July 1965 withdrew its Ambassador from Brussels, as if we were a foreign power. There is a tendency to forget that for seven months the Council was then unable to meet.

## Rey

After the initial shock, at the beginning of September General de Gaulle, in one of those amazing press conferences he had the knack of giving, put forward the view that what was needed to resolve the crisis was for her partners to get round the table with France to revise and amend the Treaty of Rome. The reaction of the Five — for at the time there were six members in all — was swift and clear. On the initiative of Paul-Henri Spaak, the Belgian Minister of Foreign Affairs — who, as one of the negotiators of the Treaty of Rome, had greater authority than his colleagues — on his initiative, then, the Five met and lost no time in agreeing to reply to France in the following terms: 'We are sorry you have taken this step and would ask you to take up your seat in the Council again. You have certain grievances, we are prepared to look into them; tell us what they are and we shall see if there is a way of putting them right. But if you are hoping to modify or revise the Treaty of Rome, there will be no revision of the Treaty. The Treaty of Rome is the Charter under which our Community was constituted, and even if we wanted to revise it we would not have the support of our parliaments. There can be no question of revising the Treaty, and if for this reason you were to do the impossible and leave the Community we would be very sorry but would assure you without hesitation that the Community will continue.' This way of saying things was one of the many services Paul-Henri Spaak rendered this Community.

The French response was swift. Two weeks later Mr Couve de Murville, the French Foreign Minister, came to see Mr Spaak in Brussels and said: 'You don't want a revision of the Treaty? Very well, it will not be revised. France alone cannot insist on that. You are afraid we might leave the Community? There is no question of that: we have no intention of leaving. We simply ask you to see what can be done to meet our grievances.' This was followed by discussions which, as you will recall, culminated in the Luxembourg compromise. After seven months the French Minister resumed his seat in the Council and the Community went on.

I myself was able to witness the demonstrative effect of this conciliatory but firm policy of the Five when, two years later after I had become President of the Commission in succession to Walter Hallstein, I visited the General in the Elysée Palace and in the course of a very courteous and amicable conversation he said this: 'If I had been in charge when they negotiated the Treaty of Rome, it would perhaps have been different from what it is. But there is no need to worry: we accepted it, and we have already come half way; now we have to tackle the other half.' The highly European tone of these words reflects the line taken by the General right up to the time he stepped down from power. Never again in his press conferences did he make fun of the Fathers of Europe or the process of integration, and the rather abrasive tone we had heard before completely disappeared.

Ladies and gentlemen, compare this situation with the one facing us at the moment. The first lesson to be drawn is surely that we must show a conciliatory spirit towards our British friends. They are not outsiders, they are our partners, our friends. They have their problems, and we must examine them together, as far as possible in a spirit of conciliation. Let us, please, leave undisturbed the memories of past events which we are sometimes rather ill-advised to revive. Truly, Britain is going through an uncomfortable period in its history: it is finding that the cost of the Community is high. We must show Britain a conciliatory spirit. That, I think, is what the Eight have done in the meetings held so far. I think that was what was done in Dublin, I think that was what was done on a more durable basis in Luxembourg. Outside observers are a little surprised, in view of the amount of ground that was covered, that this was not enough to reach agreement. No matter; we must, in dealing with our friends in the United Kingdom, maintain a spirit of understanding and conciliation. That is the first lesson of the 1965 crisis.

The second, however, is that there can be no question of changing the rules simply because the British are demanding it. There can be no question of one Member State alone deciding what the Community can do for it and deciding on its own the extent of the aid it might receive from the Community. There is no reason for us to do for the government in London today what we refused to do for General de Gaulle 15 years ago. That said, Mr President, it only remains for me, on behalf of my colleagues, to say before sitting down that any other policy would be a step backwards towards nationalist policies and that the ceremony we held in Paris — in the presence of the President of this House, Mrs Veil, in the presence of Mr Roy Jenkins, of the representatives of the Council and the Court of Justice and of Mr Raymond Barre, the French Prime Minister, whose national responsibilities should not prevent us from remembering that for five years he was Vice-President of the Commission in Brussels — this ceremony was not the time for a return to national solutions. Our duty to a united Europe is to regard it as lying not behind us but before us.

*(Applause)*

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

**Mr Lalor.** — Mr President, ladies and gentlemen, the outcome of the recent European Council raises serious and fundamental questions concerning the continuation of the Community as a cohesive economic and political alliance between the nine Member Governments. Despite what Mr Rey has just said, it is clear that Mrs Thatcher, on behalf of the UK, was just too inflexible at that meeting. No Member State, or representative, nor I myself, would advocate that Britain

Lalor

should leave the Community. However, one fundamental political principle must be accepted by all, namely that if Britain has problems with Community membership then she should approach these problems on the basis of what the Community partners can do to assist, instead of seeking on each and every occasion to question, revise and change fundamental Community principles, particularly in relation to the common agricultural policy. If Britain cannot accept the principles of the only Community policy that has been successful, then she must withdraw from that policy. If Britain cannot accept the fundamental principles of the Community's industrial policy, well, then, she must withdraw from that policy.

Community mechanisms are in place for the economic integration and improvement of the under-developed parts of the Community. Either we apply these mechanisms by increasing Community resources to tackle these problems or we adopt national quotas and the principle of *juste retour*. There is an inherent contradiction between increasing Community resources to tackle problems on the basis of agreed Community policies and seeking to increase the net benefit to a Member State on the basis of that Member State's contribution to the Community. Clearly the losers at the European Summit in Luxembourg were the people of Europe. There was serious and real damage done to the morale of the Community and to the effectiveness of its institutions. A solution to the British budgetary problem must not undermine the achievements of the Community or the fundamental principles on which its dynamic development depends. There must be no resort to *juste retour* or retreat from the basic principles of CAP, such as financial solidarity and common organization of markets.

At the same time, as I have said earlier, if it is to be true to its essential nature the Community must show itself ready to resolve exceptional difficulties facing any Member State. The undoubtedly wide range of subjects on which differences now exist in the Community is a cause for deep concern among our peoples. Community expenditure is moving towards the 1 % VAT limit, and an increase in the Regional Fund is still not agreed; there is a question of the blocking of the non-quota section of the Fund; there is also the failure of the Community to establish a credible and viable energy policy and differences exist, still exist, over sheepmeat, fisheries and other matters. All of these are superseded by the question of the cohesiveness, solidarity and the ability of the Community to exercise its influence in the world. We must learn from the hard experiences of the past, particularly in regard to Europe's over-dependence on external sources of energy and ensure that agricultural output in the Community is maintained and that farmers are given the support which other industries get to produce food in a world which is suffering from ever-increasing shortages.

I was rather surprised, Mr President, this morning at the spectacle of Mr Jenkins coming into this debate to

apologize for the compromise agricultural proposals which the Commission has submitted to the Committee on Agriculture. Why, Mr Jenkins, should you feel it necessary to apologize for moving from 2 % and 4 % increases, to 4 % and 6 % increases for farm commodities, while in the very next breath you announce an over 10 % increase in overall inflation? Why should farmers be kept in that particular position? Why should you be so intent on criticizing the common agricultural policy?

With regard to the broader political matters that were discussed, my group certainly supports the Nine's condemnation of the Soviet aggression in Afghanistan and supports the notion of neutrality for that country on the basis of the free choice of the Afghan people. The Nine have complied with the United States' request for sanctions against Iran and I hope that the UK's present dilemma will force our American partners to realize that the imposition of these sanctions poses far more severe consequences for the European countries than they do for the US. This is not to say that we are not conscious of the suffering and the indignation that the American people feel at the plight of their hostages in Tehran. The Nine must continue to encourage diplomatic efforts which may play a useful role in the present crisis.

Finally, I welcome the review of Middle East policy that the European Council has initiated. There are certainly major tensions emerging in this area yet again. The Nine will have to coordinate fully their approach to this problem and not be motivated by individual national benefits in the area. My group, and Ireland in particular, welcome the denunciation of acts of violence committed in southern Lebanon against the members of UNIFIL. I hope that the effort to persuade Israel to exert a decisive influence on the forces of Major Haddad will meet with success.

**President.** — I call Mrs Spaak.

**Mrs Spaak.** — (F) Mr President, if I had a great deal of courage as a Member of this House, I would give up my speaking time, such is the excellence of the terms in which Mr Rumor and Mr Rey in their speeches expressed what I can only repeat in much less satisfactory fashion. Since its inception, the Community has been through many crises, and European integration has proceeded by fits and starts, often drawing from its very difficulties the dynamism and imagination necessary to overcome them. Now, however, it seems to me that the situation is different and more disturbing. There are no longer any clear objectives. As for our British friends, the United Kingdom was right to call for Community solidarity, since the systems in operation were leaving it with an excessive burden. But it was wrong to reject proposals which represented real sacrifices for its partners. It was wrong to threaten, by its obstinacy, the operation of

**Spaak**

an institution which it, like the other eight countries, greatly needs. While it is legitimate to try and modify a policy, it is unacceptable to call into question its underlying premises, in other words the system of own resources and the separate existence of the Community.

It seems to me that there is at present a real lack of political will on the part of the Member States. They no longer have the necessary power to act separately and have not yet developed the will to take action together. Afghanistan is a clear example of this. There is no denying that what is happening there poses a threat to the security of Europe and, in moral terms, goes against all the values in which the European Community has been built. Mr Colombo just now gave us his views on the problem. What is needed now is to follow this up with action. In the face of the present crisis, action is urgently needed. It is the citizens of Europe who are the victims of the present situation, and they will suffer even more in the future. The malaise afflicting us, this lack of prospects, is one which strikes directly at the credibility of Europe. The agricultural policy must be adopted before the end of June. The current indecision is seriously affecting farmers' lives. The Commission is not there to comment on events — the 412 Members of the European Parliament are perfectly capable of doing that and will do so in imaginative and variegated fashion — but to take initiatives as laid down in the Treaty. It cannot allow the agricultural policy to be dismantled. It must make the Member States aware of their responsibilities with regard to the British contribution. Sulking is not a political weapon and the fit of pique provoked by the Luxembourg fiasco must cease. A number of important meetings are to be held next week. We appreciate that Mr Jenkins does not want to put all his cards on the table today, and shall thus judge him by the results. The Council must present us with the budget. There can be no question of punishing Parliament, since it is only exercising its rights. The resolutions drafted by the Committee on Budgets state clearly our demands. We are going through a serious crisis, and Parliament must accept its responsibilities. The directly elected Parliament will not allow itself to be pushed aside and will exercise its prerogatives to the full. It owes this to the electorate, which hoped that the European Community would provide greater security; we cannot dash these hopes.

*(Applause)*

**President.** — I call Mr Dankert, the author of the motion for a resolution contained in Document No 1-175/80.

**Mr Dankert.** — *(NL)* Mr President, the motion for a resolution tabled by the Committee on Budgets represents an attempt on the part of the various political groups in this House to call by a clear majority for the

submission of a draft budget by the Council. Against the background of European problems in general, this may not appear to be anything to get excited about, but I take the view that, given the present deteriorating state of the Community, it is an important matter. Despite the fact that he has to keep his comments fairly vague, the President-in-Office of the Council this morning painted a relatively sombre picture of the current state of the Community. The President of the Commission did not paint a much brighter picture, and from the speeches we have heard it is obvious that their views do not differ greatly from those prevalent in this House.

Mr President, I am gradually coming to feel that the Community institutions are losing their grip on their own Community, that they are slowly but surely foundering in their own impotence. One gets the impression sometimes that the Budget Council has taken on the role of the Community as a whole. Of course, the Community institutions cannot be equated with Europe. Europe consists of ordinary people who are faced with the problems of unemployment, energy shortages, regional development, low agricultural incomes, and so on. Try as I might, I cannot rid myself of the impression that the people of Europe are gradually getting fed up with the Community institutions, because those institutions are incapable of responding to the problems facing the people who are said to be the backbone of Europe. Nor can I rid myself of the impression — as someone said earlier — that the people outside Europe are gradually coming to feel that the Community has — to quote the title of a book by Robert Musil, a chronicler of pre-First World War Vienna — become a 'Man without Qualities'. What, after all, are we to think of a Europe which, in discussing the Iran problem, condemns both the Ayatollah Khomeini and President Carter and which is divided on whether or not to go to the Moscow Olympic Games?

Mr President, in this context it may be worth generating a little enthusiasm for the motion for a resolution tabled by the Committee on Budgets. Not because the resolution in itself will solve the problems facing Europe, but because it is at least an attempt to get things moving again, at least in one sphere. This comment warrants a rather more detailed description of the current situation.

On 7 May, the Commission stated that the Community would be faced with bankruptcy in 1981 if no budget for 1980 was forthcoming by then.

The Commission could have added that its statement referred only to the quantum of the resources available for 1980. What the Commission did not say — as it ought to have done — was that the Community will only be able to hold out until September or October if the existing rules as laid down in the Treaty and the Financial Regulation are violated. Mr President, I am not a legal expert — nor should I ever wish to be one



## Dankert

— but I think I can say that the policy of survival which the Commission is now pursuing and which is contrary to everything in the Treaty and Financial Regulations — whatever clever legal interpretation may be put forward — runs the serious risk that, when this crisis has blown over, the rules and regulations which are important for the future functioning of the Community will remain in abeyance and will not and cannot provide a basis for a fresh start out of our present Slough of Despond.

The French decision to give their farmers a 5 % increase in agricultural prices from 1 June if no decision is forthcoming at European level is a logical consequence of the process of decay that has now set in and which cannot simply be stopped by a unilateral decision on the part of this or that Member State. That does not mean to say that I welcome the French decision. On the contrary, I believe that this decision, if it is not followed by a similar decision at Community level, will be extremely dangerous. I believe that the situation can only be sorted out by the rapid submission of a budget. It has been claimed that, by taking a rapid decision along these lines, this House will in fact be undermining the position it adopted in November and December last year. That, in my opinion, is nonsense. Firstly, the European Parliament did not intend — and cannot have intended — to repudiate the Community along with the budget. We pointed out here in March that, if the Council had kept its word, it could have submitted a draft budget in April, so that we could have taken a vote on it in May. The Council did not in fact take this opportunity, and it did not even tell us why.

Mr President, it should be obvious by now that the Council has missed a unique opportunity. The budget has now become an integral part of the *impasse* in the Council and in Europe as a whole. Because of that, there is a danger not only of the budget being submitted too late, but of the situation deteriorating still further, with three or four months going by discussing not the budget, but the application of the principle of *juste retour* espoused by Mrs Margaret Thatcher to all the other Member States. If that happened, I think this House would be best advised to stop meeting, and I can only advise Members to look around for more useful or pleasant things to occupy their time with.

I am not saying that the situation will change dramatically if we adopt the Committee on Budgets' motion for a resolution tomorrow by an overwhelming majority, but I do contend that, if we adopt the resolution and if the Council responds by coming up with a draft budget, our action may help to give the Community two or three months' more breathing space to deal with the present, more than serious crisis than appears available at the moment without a budget for 1980. Of course the Committee on Budgets would prefer a full-scale budget covering the agricultural policy package and settling the problem of the British contribution for this year at least. I am afraid, however, that in

view of what happened in Luxembourg, and especially in Naples, there is very little chance of any such decision being taken in time. If no decision is reached on the agricultural question and on the British contribution by 31 May, it will be too late to pass a full-scale budget before this summer; in that case, we shall have to explore other avenues. In view of the rapidly deteriorating state of the Community, I feel that we should make the maximum possible effort to get the Council to present us at the very last minute with a draft budget — even an incomplete one if it is not possible to incorporate the agricultural policy package and the question of the British contribution. There was a long and laborious discussion in the Committee on Budgets — completely unreasonably, in my opinion — on what agricultural provisions the draft budget should contain. I think the whole discussion was unreasonable because — as Mr Arndt said earlier — the only agricultural figures the budget can possibly contain in the absence of a decision from the Council are those from the Commission's official proposals. We realize that the amounts contained in the initial draft budget are not the result of official Commission proposals, because those proposals have themselves meanwhile been withdrawn. It therefore follows that the financial consequences of the new proposals, the basis for which was laid at the Luxembourg Summit and which Mr Jenkins said this morning were now being worked out in the form of regulations, must become part of the budget.

Mr President, in asking for figures, this House is not pronouncing itself either for or against those figures. It is doing no more nor less than pointing out to the Council and the Commission that this procedure is the only fair one, and that this is the only way — in the absence of agreement on agricultural prices — of getting a draft budget submitted to Parliament. As to the content of the draft, we shall discuss that in the course of the procedure itself. However, that moment has not yet arrived, and we shall have to wait for the budgetary proposal to be made. That is what we are concerned about today. That does not mean to say that we have no views on the question of agricultural prices, and a number of speakers have already stated their views on this. The Committee on Budgets could do nothing more than incorporate Parliament's last decision on agricultural prices — generally known as the Barbarella Amendment — in its proposal.

Mr President, we must have a budget quickly. Mr Colombo, Mr Fanti and others have claimed that it is impossible to produce a budget at the moment because of the uncertainty over the agricultural sector. But the fact is that the absence of a budget is simply making the crisis in the agricultural sector that much more serious and is making it all the more probable the Community will suffer lasting damage to its future functioning by breaking the rules on all sides; in other words, that it will further undermine whatever remains of a community spirit in this Community. I realize that the budget is only one element, but it goes without saying that this House attaches special importance

**Dankert**

to this element, because the European Parliament is one arm of the budgetary authority in the Community. The inability of the Council to produce a draft budget is in fact undermining the only rights we in this House possess, and that is an unacceptable state of affairs. It will also induce the Commission to bend the rules and will heap even more discredit on the Council itself. It is time we in Europe got down to doing something positive as opposed to simply destructive. It may be too late, I do not know, but until we are clear one way or the other, we must at least make a try. We were not sent here by the people of Europe to establish a Europe of States. We are the representatives of a Europe of peoples, and that Europe has more identity than the representatives of the Member States have so far managed to display. It is time we sat down together with the representatives of the Member States to seek a solution to the problems for which we are jointly responsible.

*(Applause)*

**President.** — I call Mr Maffre-Baugé, co-author of the motion for a resolution contained in Doc. No 1-183/80.

**Mr Maffre-Baugé.** — *(F)* Mr President, ladies and gentlemen, I shall not indulge in demagogic oratory in speaking on behalf of the French members of the Communist and Allies Group. The extraordinary part-session on farm prices left us farmers with a bitter taste in our mouths. It was an unhappy debate in which political manoeuvring triumphed over justice and the search for a compromise opened the way to the surrender of principles. The farmers see the lack of any decision as a slap in the face, and that is why feelings in the agricultural community in my country are running extremely high at the moment. Some people have accused us of pandering to popular sentiment in calling for a 13 % increase in farm prices, but the figures are undeniable and revealing. For example, in the past year the price of fertilizer in France has increased by 20 %, social charges (the farmers' mutual insurance society) by 30 %, fuel by 50 %, farm equipment by 22 %, while at the same time the 1979 index shows a 13 % fall in the value of money in France, with a figure of 17 % being registered for the first quarter of 1980 alone, which suggests that average inflation in 1980 may be 17 %. The position of the farm labourers, who, as we farmers know, are already underpaid, is worsening, and unemployment is reaching unbelievable levels. In my 'département' alone there are 25 000 unemployed, 10 000 of whom are from the farming community. The deterioration in the living conditions of farmers is therefore continuing unabated. Investment in production is becoming impossible. Young farmers are becoming discouraged and are giving up farming. Their incomes, of which prices form an integral part, are continually being eroded. We are witnessing a systematic attempt by the

Members of this House to transfer capital from farming to industry and banking, a characteristic feature of the free trade policy which certain countries, such as the United Kingdom, are trying to impose. Can anyone reasonably deny the farmers their right to obtain proper compensation for their losses due to inflation? Is there anyone here who can deny their right to maintain their purchasing power? The Community created the common agricultural policy for the express purpose of setting up an integrated sector. Its commitments to farmers are not being respected, and the burden of responsibility is becoming heavy. What does Parliament want? We shall never support those who are trying to turn the farming community into the forced labour of capitalist circles which seek to cash in on farming. Prices are a decisive component of farmers' incomes, and that is why they must be recognized as being of key importance to their future. If prices are too low, investment will no longer be possible, and we shall no longer be competitive in this society in which competitiveness is imposed on us as an end in itself. We chop the roots off the tree and are surprised when it dies. It is high time we reversed this process. Parliament must see it as its duty to fulfil the expectations of the farming community.

**President.** — I call Mr de la Malène as co-author of the motion for a resolution contained in Doc. No 1-186/80.

**Mr de la Malène.** — *(F)* Mr President, in the five minutes so generously allotted to me to defend the motion for a resolution which I have tabled on behalf of my Group, I shall not dwell on matters of international politics but shall concentrate on the problems connected with the building of Europe, which, in the few months since the Dublin Summit, has suffered two very serious setbacks. Why are the Heads of State and Government solemnly invited to meet in the capitals of the Community if their meetings end in failure? And people are wondering, now that the Venice Summit is approaching, whether the same will happen there, though I hope it will not.

The Community's institutions and administrative machinery have clearly not yet been brought to a standstill, but they are running only in neutral. The only common policy which we have managed to get off the ground is the main pillar on which Europe rests. The common agricultural policy has been undermined, or at any rate paralysed. Europe's main strength is not drawn from meetings of heads of State, top officials or administrators at whatever level. The building of Europe has nothing to do with making speeches like this. The building of Europe has nothing to do with functioning of Parliament, or even with the Court of Justice, the building of Europe means the common agricultural policy, and the joint financing of this policy. It also means a common external tariff and the removal of internal customs barriers — this

de la Malène

has, to a lesser degree, been a feature of the development of international trade. And it means the Development Fund for the developing countries. But the present freezing of the CAP has jeopardized everything which the Community has achieved in connection with it. The same applies to the lack of a budget and financial resources.

The remarkable thing is that this threat to the only common policy which we have created has arisen without any proposals for anything else, apart from that curious and very anti-Community concept of *juste retour*. In this crisis the blame is clearly shared. Naturally, the greatest blame attaches to the Council and the national governments and, of course, primarily to the British Government. I have already told the House what my Group thinks about this, and I shall not harp on it indefinitely.

Parliament must also share the blame. For political reasons and for reasons of budgetary policy. Parliament took the risk of rejecting the budget. The Community was already confronted with the problem of Britain's contribution, which at the time was referred to rather curiously as 'convergence'. The problem of farm prices was also looming on the horizon. But the ministers managed to draft a budget which, whether good or bad, was still a budget. At a night-time meeting which we all sat through, the ministers agreed to make concessions to Parliament, but to no avail. A financial crisis was added to the disagreement concerning Britain's contribution and to the foreseeable disagreement on farm prices.

The Community has no budget, and it seems unlikely that it will have one in the near future. The present system of provisional twelfths has reached a stage where it may soon be impossible to provide enough resources to ensure the functioning of the guarantee section of the EAGGF. And in a crisis like this, with so much at stake, certain people have the ludicrous idea of dragging the Heads of State and Government before the Court of Justice!

This is not the time for recrimination; instead, we should clear up this situation and take action. We must know exactly what each of our countries and our peoples want. It is not enough to require resources — this is, at most, of secondary importance. The main thing is that we — at least, those of us who want to — should agree on our precise objectives.

What kind of Europe do we want?

The cherished dream of a free trade area is illusory. We shall have to choose between a Europe in which national frontiers are unhappily restored and a Europe in which the Community spirit prevails. This is the choice which will have to be made, and this is the question which will have to be answered.

The time has thus come to take action. We cannot go on meeting only to fail to achieve our aims; action must be taken urgently at the highest level, otherwise national measures are sure to be taken instead. Community action is necessary in the interests of the nations concerned, and the forms which such action must take are already becoming clear. If we allow national measures to be adopted, the die will have been cast whether we like it or not; we shall have turned our backs on the Community and returned once and for all to the Europe of national frontiers. There is no alternative. It is therefore time — and high time — that action was taken.

The Venice Summit, we are told, is imminent. As I have just said, we must not meet in Venice only to fail in our mission. We must meet after making thorough preparations to take action on a European scale, otherwise, although this House will doubtless continue to meet, we shall no longer be Europe's Parliament. We shall have become — and I say this without malice — another powerless European forum.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat.** — *Member of the Commission.* Mr President. I am grateful to you for giving me the opportunity to intervene very briefly in this debate immediately after the preceding three speeches, all of which were concerned with the need to bring forward a draft budget from the Council as soon as possible. Clearly a timely adoption of the 1980 budget is in the forefront of everybody's mind, even those who have not, in fact, spoken on the subject. However, the oral question to the Council by Mr Ansart and Mr Fanti and the motion for a resolution tabled by Mr Dankert on behalf of the Committee on Budgets draw attention to a problem which is now extremely urgent.

The first point I would like to make is that a budget for 1980 has to be speedily drawn up and, of course, adopted. Secondly — and this is also an important point — the provisional twelfth system, the classic provisional twelfths system, cannot suffice to cover all the requirements for the smooth implementation of all Community policies until the end of the year. That is, I think, something which everybody needs to understand. On 7 May 1980 the Commission sent the Council and the European Parliament a request for the making available of advances on provisional twelfths for a number of chapters of the Guarantee Section of the EAGGF. In so doing, the Commission made it clear that the date on which it will no longer be possible to finance the agricultural markets will occur at some point in the second half of the year, but very probably, according to our estimates, around September or October 1980. One cannot, of course, be absolutely precise.

This brings me to a point made by Mr Dankert in his speech a few moments ago, which I must take up. First

### Tugendhat

of all, Mr President, I must stress that the Commission has not — and I emphasize the word *not* — been in breach of the Financial Regulation. Our duty is to maintain the law, our duty is to maintain the Treaty and the regulations. I recognize that there are sometimes different interpretations of different clauses, but our duty is clear. In this, as in other cases, we have sought to act within the law as it stands. I must emphasize that point. However, we also have an additional duty, namely — within the law, I emphasize that — to maintain the existing policies of the Community as much as possible. The Community, for a variety of reasons that have been dealt with at length in this debate and which are well known to all of us, is facing quite unusual difficulties, but we are convinced that insofar as it lies within our power to do so, we ought to maintain and operate the existing policies of the Community as normally as possible for as long as possible. The provisional twelfths system is not a back-door way of changing policies. The Community has means and procedures for changing policies. When policies need to be changed, and there are certainly a number that do, they should be changed in the appropriate way. However, while policies exist, then it is our duty and our task to maintain those policies in as normal a fashion as possible for as long as possible.

Now, to revert to the point which I wanted to make before hearing the other speeches, the Commission has discharged its duty as far as bringing forward budgetary proposals is concerned. Indeed, I think we move with considerable haste. The draft budget was rejected at the last part-session before Christmas. We then brought forward a new preliminary draft budget, to which the President of the Commission referred in his speech, and this was put forward on 29 February 1980. I think we have moved as fast as we could on the budgetary front and we have, of course, also done as much as we can to secure a timely settlement of agricultural prices. It is therefore now up to the two arms of the budgetary authority, acting as a single budgetary authority of the Community, to take the necessary steps to ensure that the present precarious situation can come to an end as soon as possible. It is in the interest of the Community that the procedure through which this can be achieved should be decided between the Council and Parliament in a spirit of conciliation and in conformity with Article 203 of the EEC Treaty.

There is now, of course, a risk of overlapping between the 1980 budget procedure and the 1981 budget procedure. This is not the time to dwell at length on the problems of the 1981 budget, and this I think must be apparent to everybody. The absence of a 1980 budget does not facilitate the Commission's work in the drawing up and adoption of the preliminary draft budget for 1981. I must tell the House that it is now extremely unlikely that the pragmatic calendar can be adhered to this year. But I also, however, must emphasize that there is an official timetable laid down in Article 203 of the EEC Treaty, and of course such a timetable must be observed by all Community institu-

tions. The preliminary draft budget will, therefore, have to be prepared at the very latest on the basis of the timetable laid down by the Treaty itself. One would wish that it could be earlier but that of course hinges on other matters.

That, Mr President, concludes the very brief remarks which I wanted to make, as I felt it imperative to lay before the House our views on the necessity of having a 1980 budget as soon as possible, the need for the budgetary authority to act, and also to draw the House's attention to our response to some of the points made by Mr Dankert. Obviously as is normal on these occasions, I will seek to wind up very briefly at the end of the debate.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets** — (D) Mr President, ladies and gentlemen, I should like to take this opportunity to come back on what Mr Tugendhat said just now. I get the impression from what he said on behalf of the Commission that the Commission is shying away from putting into practice what it itself realizes to be necessary for the 1981 budget year. According to Mr Tugendhat, the Commission is basing itself on the fact that a 1980 budget does not yet exist and no one knows what form it should eventually take. My view is that the Commission should disregard this aspect and bear in mind what is essential for 1981, and on this basis should draw up a provisional draft to be presented in the framework of the extra-Treaty timetable, which was originally always agreed on by the three institutions. I shall make no further reference to this matter because I do not want to anticipate what this House feels must be included in the 1981 budget from a political point of view. I should therefore like to ask the honourable Members of the Commission and in particular its President — even though the Commission may not be composed of the same people from 31 December this year — to do their work and not seek any new excuses for delaying things still further.

As to the 1980 budget, I must regretfully admit that the President-in-Office of the Council does not have an easy task. It was crystal clear from the statement he gave this morning that he is conscious of once having been the President of the European Parliament and of taking part facing the Council in that capacity in the deliberations of the Conciliation Committee. I therefore fully realize the difficulties the President-in-Office has to face.

However, Mr Colombo, allow me to say that when we rejected the 1980 budget in the form in which it was presented to us by the Council, we gave the Council and the Members of the Council to all intents and purposes the chance to make political changes which, if they are not made, will point the Community along

**Lange**

the wrong path entirely and will practically eliminate it as an active political force. The Council has so far failed to take the chance it has been offered. I often get the impression, Mr Colombo, that some Members of the Council feel that by dragging their feet over their Treaty obligation to submit a new draft budget, they are in some way punishing Parliament as the other arm of the budgetary authority for having had the temerity to reject the Council's original proposal.

But the governments have also been given a fine opportunity insofar as they can now put the blame on the European Parliament if they have insufficient courage to tell their own people certain unpalatable facts, especially as regards the no longer justifiable common agricultural policy. As a result, the CAP as a whole, which was originally the main pillar of the Community, will eventually fall into discredit and be the undoing of the Community.

Even those Members of the Council who are unmoved by the absence of a Community budget should bear in mind that — as the rapporteur for the Committee on Budgets said earlier — a lot of things will grind to a halt in the Community after the summer recess. We have only limited financial cover, based on the 1979 budget. Even bearing in mind the figures for cost and price inflation given to us by the President of the Commission, we shall be unable to meet our 1980 requirements. That being so, I can only repeat what has already been said here and appeal to the Council to present a draft budget as quickly as possible which, I hope — indeed, we all hope — will cover all the critical points.

But discussion of these critical points — in other words, agricultural policy and the British contribution to the budget — and the possibility of achieving agreement should not be used as a pretext for failing to come up with a draft budget, because it seems to me that to do so will have catastrophic consequences for the Community as a whole.

The Members of the Council and the Governments of the Member States should be told in no mean terms that the selfish safeguarding of national interests is destroying the potential of Europe and thus also the development potential of the different parts of the Community. In other words, it is complete nonsense to say — as happened on an earlier occasion in this House — that the British should leave the Community. What, after all, would the British do in such a case? They would of course pursue a protectionist trade policy, in which case the Community would in turn be forced to pursue a similar kind of protectionist policy, the result being the severing of outside links and the breakdown of external economic relations. That would be a disaster for all of us. We need each other, especially in the current critical international situation...

*(Applause)*

... A key to overcoming our internal difficulties is the production and presentation of a budget which will at least give us a basis for discussion and will serve to keep things moving. We must, Mr Colombo, have completed the 1980 budget procedure before the summer recess because after the recess things will stop working properly and will get out of control because of the lack of necessary finance.

Let me, then, ask you most sincerely, Mr Colombo — I have no doubt that you will do this, but I can only address my appeal to you because the other Members of the Council are not present — to convey these appeals addressed to you from your former place of work, the European Parliament, to your fellow Members of the Council with as much urgency, as we have tried to do here. I should be grateful to you if we could have a draft budget by June to give us the chance to reach a decision of some kind before the summer recess and thus to ensure that the Community can continue to function. What we are concerned about is not the rights of the European Parliament, but the efficient working of the Community and the political role of this Community in the interests of the Member States, as well as in the interests of world peace.

*(Applause)*

**President.** — I call Mr Josselin.

**Mr Josselin.** — *(F)* Mr President, ladies and gentlemen, along with certain previous speakers I should like to express the anxiety of the French Socialists over the Community's powerlessness revealed by the failure of the Dublin and, more recently, the Luxembourg summits, one of the most telling symptoms of which is the absence of a budget for this year, even though it will soon be half over. We all know that in addition to the budget there is, of course, not only the problem of farm prices, but also, more generally, the convergence problem posed in particular by the question of Britain's contribution to the Community budget. Together with most of the other French Socialists, I voted with the majority of this House in rejecting the budget in December of last year. This rejection was an indication of hope that new Commission proposals would be adopted by the Council to eliminate one of the discrepancies — there are others — which Europe now has to deal with and which can, I believe, be seen as that of a 'permanent' budget, since we are unwilling to re-examine the delicate problem of the Community's own resources. How can we endow Europe with the financial resources for the other policies which the social and economic situation calls for — regional policy, transport, energy and social policy — without damaging the interests of agriculture?

I should like now, Mr President, ladies and gentlemen, to dwell for a moment on this idea of the importance

**Josselin**

of agriculture, since we are well aware that it is central to our discussions. No one can deny that the effects of the common agricultural policy on the individual Member States vary considerably according to the respective importance of farming in the various economic regions of the Community. But are those who point to these differences — for example to justify Britain's request for a reduction in its financial contribution — as prepared to concede that the effects of the CAP vary even more between different categories of farmers, farm products, regions and farm structures? Some products are still not guaranteed. We are also aware that the same guaranteed price can provide an unjustifiably high revenue for some farmers while not even allowing a good many others to keep their heads above water. To ask the unemployed in Britain, Germany or France to help to subsidize all farms, sometimes without differentiation or restriction, is bound to create a feeling of injustice among the unemployed. We are perfectly aware of this. But on the other hand, to try to penalize all farmers for the malfunctioning of the CAP and make them all pay for the Community's inability to devise and apply other mechanisms would be equally unjust and, we feel, amply explains the fears and also the anger felt by farmers.

The French Socialists, here as elsewhere will continue to press their demand that the incomes of the bulk of European farmers should be protected by the same guarantees as other workers. In view of the considerable increases in operating costs which I have no need to dwell upon, this means that farm price increases, which in certain countries could be supplemented by the effects of the 'green' exchange rate, should be sufficient to maintain farmers' incomes at certain minimum levels — and we know how far they have lagged behind other incomes in recent years. Let no one accuse the French Socialists of acting inconsistently. We have proposed a number of measures which would make it possible to limit the growth of agricultural expenditure, while ensuring that as many farmers as possible, beginning with the smaller farmers, enjoy the security of income which they are asking for. Suffice it for me to refer to our proposal on guaranteed prices, which could incorporate rates depending on the quantities produced and would be flexible with regard to categories of products. How could we accept a co-responsibility levy on milk which offers no exemption or sufficient progressivity, and which is extremely harmful to thousands of smallholders. How can we accept a super-levy which perpetuates the *status quo* and gives permanent priority to certain regions or producers? Our hopes have in fact been dashed, for the Commission has not reviewed the overall situation.

Was it afraid that such a review would be doomed to failure owing to the Community's present difficulties? Whatever the reason, we have observed only minor amendments which take no account of the conditions now prevailing in European farming — I would merely remind the House of the extremely important

question of the role of agriculture in employment and the environment.

Ladies and gentlemen, while we may criticize the Commission for its lack of imagination or political will, is Parliament itself completely blameless? Did we not, for example, reject the tax on vegetable proteins? And we should not claim to be acting in the interests of the developing countries, since it is well known that in some cases 90 % of the products concerned come from American or British companies!

In conclusion, Mr President, I would repeat that we Socialists feel that solutions are available. If those responsible for the CAP and the Members of this House thought about it carefully enough, they would reach the same conclusions as an increasing number of those responsible for farming in the trade union movement, namely that the measures which we are proposing are the only ones which can meet the double challenge putting agricultural expenditure to better use while strengthening the security of the majority of farmers.

These are obviously socialist measures, and they are the only ones which will enable Europe to continue to develop. It will no doubt be difficult to make allowance for all the factors which I have been referring to, but I would emphasize that solutions are required urgently. I do not believe that Europe can assert its identity in any other way than by making an intense effort to achieve solidarity — a solidarity which cannot take the form of mere solidarity between nations. We also need solidarity on a personal level. Many fundamental political decisions will therefore have to be taken: we shall have to decide who we want to help. We Socialists have made our choice: our efforts will be directed towards least well placed. But, and here I address the Commission, the guardian of the Treaty, does the Commission intend to take an initiative, in particular with regard to farm prices — even if only eight Member States are involved — to ensure that by 1 June at the latest we have sufficient resources to enable the Community to continue in existence?

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — (NL) Mr President, I have the honour to speak on behalf of the Irish, Luxembourgish, Belgian, French, German, Italian and Dutch members of my Group — in other words, on behalf of my whole Group. The statement we heard from the President-in-Office of the Council was very matter-of-fact, but was characterized throughout by major concern about the gravity of the situation. There is a close connection between the need for the Community to speak with one voice and Europe's peace-keeping potential on the one hand and the ability to agree on internal — principally financial — matters on the

## Notenboom

other. What we have at the moment, however, is talk of disintegration because one Member State has unilaterally decided to raise agricultural prices if they are not increased throughout Europe by 1 June. There is talk of disintegration because it has become obvious that more than one Member State is not all that scrupulous as regards own resources, which is something this House has been fighting for for ten years. National prestige is rearing its ugly head again, everyone is concerned about his own problems although theoretically everyone realizes that we now need each other more than ever before. The same applies to the budget. We have two more part-sessions before the summer recess, and Parliament is duty-bound in this May part-session to make its voice heard. The Council has failed to respond to our request of March for a draft budget to be submitted in April. Before long the Community will be unable to fulfil its obligations to third countries, which will detract from the credibility of statements made in the field of political cooperation. The various Councils meet frequently, but to precious little effect. The meeting of the Foreign Ministers in Naples was yet another failure. Will we manage — as so often in the past — to avoid total failure at the eleventh hour? I certainly hope so.

Whether my hopes are fulfilled or not, there is no doubt that this period will be seen to have had a damaging effect.

Mr President, speaking on behalf of my Group, I hope that the motion for a resolution tabled by the Committee on Budgets will be adopted by a large majority. It is in fact a three-stage resolution which has its origins in a draft put forward by the Christian-Democrat members of the Committee on Budgets with the aim not of seeing their own views prevail but of reaching a consensus. The motion for a resolution which has now been tabled by Mr Dankert on behalf of the Committee on Budgets bears a strong resemblance to the resolution which we originally proposed. It is not like me to say that kind of thing, but if we do not make the point, no-one else will either, and in the interests of political clarity it has to be said. What is more important, Mr President, is that we should get a large majority in favour of the motion, and that is why we were willing to settle on a compromise. Large majorities are of the utmost importance here in getting the Council to bestir itself.

In the initial phase we hope that the specialized Councils will succeed in May in finding solutions to the individual problems, so that a full-scale draft budget can be presented at the June part-session, covering the questions of prices, savings, the British contribution, etc. If this should prove impossible, the resolution calls on the Council to come up with a draft at the beginning of June to be dealt with in this House in one or two readings, a draft which does not incorporate the definitive positions on prices, savings and the British contribution to the budget. Mr President, we — that is, the Christian-Democrats — have always

taken the view that it would be better to exclude the question of agricultural prices provisionally from the preliminary draft and the draft itself. The largest group in this House did not agree with us, whereupon we acquiesced so that we could be sure of a majority. We never thought it right to say in January or February that these matters were inextricably linked. It would now seem that we were right, but the need to get a majority in the House for the European cause is more important to us than making our own views prevail. We would ask the Council to present any such draft on the basis of the Commission's February proposals, which in turn incorporate most of our ideas of 7 November as regards the Regional Fund, the Social Fund, development aid and — as regards agriculture — the more detailed proposals on which agreement was almost reached in Luxembourg, popularly known as the 5 % proposal. That is what the Committee on Budgets is asking for. Like Mr Jenkins and Mr Tugendhat, I am sorry that the proposals put forward as regards savings and controlling surplus production are less drastic than in fact necessary for the Community, although we do not know just how drastic they will be.

Mr President, the same applies to the question of the British contribution. Even if it should prove impossible to find a solution to this question, that is no reason for the Council not to present us with a draft budget. I agree with Mr Lange that we in the Community need each other: we need the British, and the British need us, but this must not be at the cost of the highly important principle of own resources. Why is the principle of financing by own resources so important? The answer is that it gives the Community a degree of financial autonomy under the watchful eye of the directly-elected European Parliament. It is hardly conceivable that the same Member States which decided that the European Parliament should be directly elected to enable it to fulfil its watchdog functions as regards financial autonomy should now be making light of the principle of financing by own resources. That is the essential point we should bear in mind in connection with the search for a solution to the problem of the British contribution.

As to the third stage, if the Council is really not in a position to submit a draft budget in June so that we can at least have a budget before the summer recess, let us not forget that Article 11 says that Parliament should not neglect its responsibilities. We are asking for consultation with the Council; after all, we fully realize that we both form part of the budgetary authority, but if the Council remains so indecisive as to fail to submit a draft budget, we should not simply sit back with our arms folded: That would be unworthy of a directly-elected Parliament.

The motion for a resolution also contains reference to pretty vague legal or political measures. Let us give some thought to these in the course of this month, but my Group feels strongly that what we need is political

**Notenboom**

measures and that in this unexpected situation, something which was not foreseen in the Treaty, we may have to draw up a budget unilaterally.

I realize that this is a drastic interpretation of the Treaty, but the fact is that the Treaty does not stipulate what should happen if no draft is forthcoming from the Council. In that case, the Treaty should be interpreted as meaning that Parliament should therefore take it upon itself to ask the Commission to implement the budget. It would then be up to the Council to take the whole thing before the Court of Justice. I would ask those Members present — there are not so many here now but perhaps they will read this — to think this over again in the course of this month and decide whether that is not after all the course which we should take. I would ask you to think it over, because it is a difficult step to take, and our first reaction is to take fright at this interpretation of the Treaty. But I have spoken to a number of Members who, at second thought, were not quite so taken aback. Of course my Group hopes that things will not come to such a pass, and that the Council of Ministers will submit a draft budget after all.

I must say, Mr President, that my point about this House assuming its responsibility if the Council fails to act applies equally to the Commission. I am sorry to have to say that I was disappointed at what the two esteemed speakers from the Commission said in their speeches this morning. I think theirs was a weak response at a time when one Member State has decided to increase its farm prices unilaterally and the EAGGF is likely to break down in a few months' time. The Commission's policy amounts to little more than awaiting instruction from the Council of Ministers, and is certainly far from the fiercely independent response I expect from the guardians of the Treaties at this all but critical juncture. I can only say that my views are shared by a large number of members of my Group.

The whole thing began with the failure of the Commission to submit a draft budget before the end of February. Mr Tugendhat said just now that the Commission had moved with considerable haste. We feel that the Commission could have been a lot quicker and that the draft budget could have been submitted by the beginning of January. That would have cost a number of people part of their winter holidays, and I know that you personally were undoubtedly prepared to sacrifice yours. But that would at least have been a quick reaction, which might — I repeat, might — have headed off the serious situation we are now in. Mr President, the Christian-Democratic Group wholeheartedly supports this motion for a resolution tabled by the Committee on Budgets. It incorporates a lot of the views we ourselves put forward, and we hope that there will be a large majority in favour of the motion when the vote is taken tomorrow, to show that Parliament is worthy of its name. Together with the Council, we can avoid the disastrous situation of having no

budget before the summer recess, which would mean important sectors of the Community's activity ceasing to function. Let us do everything in our power to prevent that happening.

*(Applause)*

**President.** — I call Mr Møller.

**Mr Møller.** — *(DK)* Mr President, it is a little depressing to look around this chamber and see that only sixteen of the four hundred and ten members of this Parliament are present when you want to say certain things which you regard as good sense. In view of the number of people here, there seems little point. However, this is my own problem and not the concern of the President.

Nevertheless, the President of the Council, to whom we gave such a warm welcome so recently, has now said something which is a cause for concern for us and Europe as a whole.

The crisis currently facing the Community is probably the most serious since the de Gaulle crisis. We are working without appropriations, without a budget. We notice the effects of this in our own parliamentary work. The Members who are absent are not staying away in order to save the Community money, but have presumably started their lunch break, which was scheduled for 1.00 p.m.

However, we are faced with a budgetary crisis, and I go along wholeheartedly with the view put forward by Mr Dankert to the effect that we must now call upon the Council of Ministers to draw up the budget which it is its duty to draw up, and we can but hope that Parliament will take a more favourable view of it this time than last autumn.

However, we are also faced with a political crisis which affects all aspects of our Community and our work. The centuries-old disunity between the continent and the United Kingdom, which has had such major consequences for the history of Europe, appears likely to continue even if we had hoped that our Community would act like oil on troubled waters. This has not then been the case. The basic question would appear to be whether coming together in a community encourages friendship or whether the more we are together the further apart we drift.

We are not here today in order to speak in such a way as to widen this gap. We have, I think, been able to glimpse one small ray of sunshine in the general gloom, i.e. the decisions regarding the hostages in Tehran reached by this Parliament and the Council of Ministers. I must add, however, that this light faded almost completely once more when we read how much progress was made in Naples. It was as if Europe's



**Møller**

intention to show its solidarity with the USA and to fight for democracy and human rights had petered out, and that we had lit a little candle instead of a torch. And now this little candle seems about to go out too. Will anything at all in fact come of the Naples agreement? Will these tentative and bland proposals from the Foreign Ministers come into force and be put into practice in the nine Member States? We saw what happened with the protest against the Olympic Games, how this proposal that we should refuse to take part in them has more or less come to nothing. Country after country has entered for the games. The medals to be won on this occasion will be fairly easy meat and perhaps this is why so many have finally decided to take part. I am not certain this is the case, but this is nevertheless another reason for my deep concern regarding the future of Europe.

This Council of Ministers must not go back on its intention to take a united political stand regarding Tehran, and the Naples decisions must be implemented. I hope the President of the Council of Ministers will have sufficient authority to ensure that the Council will not let us down on this matter, since if we cannot rely on decisions taken on the Council being implemented, there will come a day when we will just have to ignore them. They will become just as meaningless as the decisions made on the other side of the Atlantic in the United Nations building, where the resolutions adopted are also coming to be totally disregarded. Will our experience turn out to be the same as that of the League of Nations, here, just a few hundred kilometres from the place where the League of Nations collapsed? The meetings of the League of Nations continued after Hitler had taken over power. People continued to think they stood for something, but they stood for nothing. I ask you, Mr President — since I obviously cannot ask the Assembly — whether the countries of Europe are doomed to eternal disunity? Or is there really any hope for the European idea for the sake of which at least some of us were elected? Can we unite in an effort which will enable us to become the voice of Europe, and will this voice also be heard in the government of the Community? Can this Community come to embody the unity which we have hoped for after two thousand years in which the history of Europe has been the history of one war after another? Will we be able to embody this unity? Are we not, in the first session of the directly-elected Parliament, already becoming frustrated by futility and decisions which are meaningless and which everyone ignores? And is it not the case that in those areas where we have in fact been able to reach some decisions, where we have had certain powers, we are not ourselves in a position to see to it that they are implemented.

Mr President, I am sure you will understand from what I have said that, although I am not normally regarded as suffering from depression, I am currently terribly depressed about the future of Europe, or, to use a modern word which has come to be used in all

our languages, I am frustrated. Mr President, I thank you for giving me the opportunity of disclosing before this small and select group of Members of this Parliament my personal views on the work we are currently engaged in and my fear that it may well fail.

*(Applause)*

### 7. *Membership of Parliament*

**President.** — I have been informed by the appropriate Belgian authorities that Mr Pierre Deschamps has been appointed Member of Parliament to replace Mr Nothomb, who has been appointed Foreign Minister of Belgium.

I would point out that pursuant to Rule 3(3) of the Rules of Procedure any Member whose credentials have not yet been verified may provisionally take his seat in Parliament or on its committees, and shall have the same rights as other Members of Parliament.

I welcome Mr Deschamps who rejoins us in this Parliament.

*(Applause)*

The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 1.20 p.m. and resumed at 3 p.m.)*

### IN THE CHAIR: MR GONELLA

#### *Vice-President*

**President.** — The sitting is resumed.

I have been informed by the appropriate Belgian authorities, pursuant to Article 12(2), second subparagraph, of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, of the vacancy resulting from Mr Vanderpoorten's appointment as member of the Belgian Government.

The same authorities have informed me of the appointment of Mr De Gucht as Member of Parliament to replace Mr Vanderpoorten.

On behalf of Parliament, I congratulate Mr Vanderpoorten on his new appointment and I welcome

**President**

Mr De Gucht who, pursuant to Rule 3(3) of the Rules of Procedure, provisionally takes his seat in Parliament and on its committees with the same rights as other Members.

*8. Statement by Council and Commission on the European Council of 27 and 28 April 1980 — Need for rapid adoption of budget (continuation)*

**President.** — The next item is the continuation of the joint debate on the Council and Commission statements on the European Council of 27 and 28 April 1980 and on an oral question to the Council on the budget.

I call Mr Spinelli.

**Mr Spinelli.** — (*I*) Mr Colombo said in his speech that we run the risk of causing a major crisis in the Community. I think he was wrong. Absent members of the Council, you do not run the risk of causing a crisis, for you have already caused one, and this debate should have made it abundantly clear how serious that crisis is.

Following the speeches by Mr Fanti, Mr Arndt, Mr Notenboom, Mr Josselin, Mr Dankert, Mr Lange and others, I would not be speaking if I were merely going to express my agreement and my intention to vote in favour of the motion for a resolution tabled by the Committee on Budgets.

I asked to speak so that I could say something about the present situation of the Community which has not yet been said, and which I think is worth saying with a certain clarity. We should ask ourselves why the Community has become, as it were, paralysed, and is gradually becoming more and more incapable of taking decisions. It is frequently said that there is a lack of political resolve. That is not true, for the political resolve to work together in Europe exists, as shown not only by the fact that this Parliament was elected and continues to meet, but also by the fact that, despite all the failures, the representatives of the national governments continue to seek joint solutions for the more serious problems, because they know that, if one day we had to admit that the Community was finished, we would return to a situation in which, in practice, every country would begin once more to regard its neighbour as a possible enemy, and we would have a Europe for which eighty years would have passed to no avail.

We should have the courage to admit that, if anything is lacking today, it is adequate institutional means of turning shared aspirations into joint political action.

The Commission, with all its defects and limitations, is capable of taking up common positions — even if it

has only the power to put forward proposals. The European Parliament should also be able, in its debates, to agree in joint action. Ours is a community in which all decision-making power is vested in the Council, and the Council has gradually extended its structure downwards through meetings of experts, and upwards to what was once called the Summit and is now known as the European Council. The Council of Ministers guides and governs the Community, claims increasingly to administer the Community, and has succeeded to a large extent, through procedural tricks in arrogating that right to itself. What is worse, the Council, in legislating on Community affairs, disregards even the basic laws with which it should comply.

To confine myself to one example, the Council has the duty to draw up the draft budget and submit it to Parliament. The Treaty sets deadlines for this, and institutional logic itself requires the Community to have a budget.

Now, Mr Colombo — whom I pity, as does Mr Lange, because as a Member of the European Parliament he too voted for the rejection of the budget — comes and tells us that the Council is not yet in a position to submit the budget and will therefore not submit it to us. What is the reason for this? Merely that they have decided not to submit it, not to discuss the budget and not to vote on a draft budget. They could certainly do so, because the Council which votes the budget is the only one which takes decisions by majority vote. Thus, not even unanimity is needed in order to have a budget. They say that it is necessary to wait for the agricultural price proposals, but there has never yet been a draft budget submitted after the agricultural prices were fixed, and in any case it is possible to resort to supplementary budgets. But this time, no — either the agricultural prices are fixed or no budget. Or again, the submission of the budget is made conditional upon solution to the problem of the British contribution. The British problem exists, but I see no reason why it should prevent us from drawing up a budget. If the agreements reached to solve the British problem were to have consequences for the budget, it would be possible to pass a supplementary budget or draw up a letter of amendment. If we do not yet have a budget, it is simply because the Council, which has pretensions to absolute power, has decided not to submit one.

If this omnipotent Council were at least capable of governing, we would even accept its authoritarian power. But as time goes on it becomes more and more incapable of any action. Of course, as long as it is a question of expressing pious hopes, it is not at a loss for words, and Mr Colombo told us just now what the Council hopes to do on energy, the fight against inflation, the North-South dialogue and so on. But when it comes to taking decisions, the situation becomes increasingly difficult, because one cannot carry through a policy which of necessity becomes increasingly complex and requires a decision making process involving the

**Spinelli**

wishes of nine governments. Anyone with a smattering of historical knowledge knows that all confederations, from the Latin League to the Holy Roman Empire and the American Confederation, failed for this reason. If we go on in the same way as at present, we shall meet the same fate.

I would now ask my fellow-Members of Parliament to think about the need to change this Community of ours. There are only two centres of political power which can assume the responsibility of drawing up plans for reform and asking the national parliaments to ratify them. If it is the governments which do this, we shall have the Europe of frontiers — 'l'Europe à la carte' mentioned by Mr de la Malène, i.e. the destruction of all that has been achieved so far. Alternatively, this Parliament must become aware that, as the representative of all the Europeans who have elected it, it has a duty to propose the institutional reforms which could enable the Community to emerge from this stalemate. If we prove unable to learn from the present crisis the lesson which it is necessary to learn in order to take such measures, we shall have failed in our duty.

We do not expect anything of the kind from the Council. We must point out to the Council not only that the budget problem remains unsolved, but also that its decision not to increase own resources above the 1 % level is tantamount to destroying the Community. We must also remind it that, should the request for consultation of Parliament on the appointment of a new President of the Commission be ignored, we would not hesitate to use our power — as on the budget question — to bring down the Commission on the very day of its appointment.

I think these are the things we must tell the Council. The rest is up to us.

*(Applause from the left)*

**President.** — I call Mr Visentini.

**Mr Visentini.** — (I) Mr President, the current climate of international politics is more than ever before crying out for resolute and united action by Europe and, at the same time, is offering Europe a magnificent opportunity to assert its own political stance and thus strengthen its own unity.

In the wake of the Russian invasion of Afghanistan and the seizure of the hostages in Tehran, the USA's political initiative has come unstuck in these two trouble spots, making it difficult for the Americans to chart their political course through the other areas of international politics, to bolster their economic and political solidarity with their Western allies, to develop constructive relations with the third world and to conduct the negotiations in the Middle East. Europe and the European Community could and should inter-

vene in this situation, not by posing as a third force and adopting a more or less neutral stance between Russia and America — in our view, there is no room for such an indefensible position and it must be rejected — but in order to tackle the situation in an organized and coordinated manner. For the first time in many years, the Member States of the European Community now have an excellent opportunity for taking the initiative. Any measures taken, however, must be based on a concerted approach by the Community and its nine constituent countries. Alas! The sad fact is that the Community is facing the worse crisis it has ever faced and the Nine have never diverged to such an extent on specific problems concerning the very structure of the Community and on policy *vis-à-vis* third countries. To cap it all, alongside the problems concerning the United Kingdom and the Community budget, we have France and her President trying to go it alone in total isolation from the other member countries which they do not even bother to consult.

The European Parliament has by a significant majority approved resolutions on Afghanistan, on the hostages in the American embassy in Tehran and on the Olympic Games, yet we sadly have to note that the stands taken on each of these points by the national governments and parliaments diverge widely and are often diametrically opposed. The result is that our Parliament is also dragged into the Community crisis and finds its hands tied behind its back. In order to overcome this, we should act not as representatives of the individual member countries but as representatives of Europe and, above all, we should get to closer grips with the political problems, as Mr Spinelli pointed out just now. We must get to closer grips with the problems plaguing international politics and — as from a critical standpoint if need be — make our views known to the individual governments and countries. What we do not want is for this House to be a consultative Parliament in an agricultural club or free trade area; what we do want is for it to be a political body within Europe. Our efforts must concentrate on discovering the ways and means whereby this Parliament can become a body engaged in drawing up policies for Europe.

Another reason why we must make these efforts, ladies and gentlemen — and this is why I took the floor — is that we must not lose sight of the fact that the present Community crisis as regards relations with the United Kingdom is part of the broader crisis in European agriculture and that for many countries the importance of the agricultural sector has diminished over the years. We must therefore get down to strengthening the Community's role in other economic areas and to enhancing its political significance.

*(Applause)*

**President.** — I call Mr Buchou.

**Mr Buchou.** — (F) Mr President, ladies and gentlemen, I shall try to state briefly what our colleague Vincent Ansquer, who is detained at a meeting of the Committee on Budgets, intended to say with all his usual ability and common sense.

Soon after it was elected by universal suffrage, the European Parliament rejected the Community budget. In so doing, Parliament availed itself of its considerable budgetary powers in order to create a crisis in our institutions. Only very few members did not join the temporary coalition set up to oppose the budget. At that time our Group stated its objection to this serious political act which could only lead to one thing and which has meant the blocking of progress and even backsliding in the building of Europe. Since then six months have passed and we can see just how great is Europe's disarray. Naturally, Parliament does not bear sole responsibility for the dead end we have reached, but it does bear its share. Under cover of the laudable aim of correcting errors in the agricultural policy, our differences and squabbles which seem petty in the light of the harsh realities of the international situation, have brought only meagre results. Even our British friends are dissatisfied. And yet no effort has been spared on numerous occasions in Dublin and in Luxembourg to try to meet the British demands. From one Summit to another, and unfortunately from one failure to another, the whole of Europe is being penalized and the peoples of Europe are being ridiculed.

Ladies and gentlemen, now is the time to be realistic, and the truth is starting us in the face. The British claim above all to be Europeans, but what is your British conception of the European Community? Is it the same as that of the authors of the Treaty of Rome? Do you really accept the principles of the common agricultural policy? Some straight and unequivocal answers would shed much light on this problem. Whatever Mrs Thatcher's merits may be, and we all agree that they are many, the obstinacy of one part of the organization may well lead to the disintegration of the whole. In order to back up its claims, Britain reminds us all that its budget contribution amounts to 2 900 million units of account and that it only receives 1 220 million units of account in exchange. The reason behind this large contribution is the high percentage of customs duties and levies which are paid by the United Kingdom. If however we examine the gross interior product *per capita*, two countries, Italy and Ireland, are at a definite disadvantage when compared with Britain. It is not our intention in giving these figures to deny that our British friends have a real problem. On the contrary, they should be aware that we are prepared to help them if they are prepared to toe the Community line and if they do not try to renegotiate once more their terms of membership of the Common Market. We must not let ourselves be tempted to take the easy way out, which would jeopardize what the Community has gained patiently and step by step through the tenacity of those who believed and who still believe in Europe. We must definitely pull

ourselves together and give real substance to the political determination which must motivate all those in authority in the Member States. We must strengthen our economic cooperation in order to combat inflation and unemployment. We must carry on setting up the European monetary system. We must have ambitious aims and provide the investment potential needed to achieve them. We must organize together our energy and raw material supplies. Put a budget before us Mr President. Parliament is prepared to debate it. Parliament may have committed a youthful blunder, but it is definitely willing to make amends. All the tasks I have mentioned need to be urgently carried out in order to breathe new life into the European spirit. By tackling these immediately, the Council, the Commission and Parliament will give new confidence to those millions who otherwise may well fall victim to despair.

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Mr President, the very first point in the declaration following the Luxembourg Summit was that the recent events in Afghanistan, Iran and the Middle East called for more cohesion than ever between the Member States of the European Community. No one would doubt that. That just makes it all the more necessary, though, to point out today that we are a long way from that cohesion and are thus aggravating the somewhat dangerous international situation. The European Community seems to be in its most serious crisis for 15 years, and that at an extremely critical and difficult moment in international affairs. The United Kingdom has haughtily rejected an extremely reasonable proposal for solving the budget problem, thus subordinating the interests of Community solidarity to narrow-minded nationalism, and this — as I said — at an extremely difficult and dangerous moment in international relations. Then we have the French President going off to Warsaw to meet the Russian leader without first consulting the other eight Member States. A second Munich? Then again there is the United Kingdom renegeing on the agreement reached on boycotting Iran. Mr President, it is time — as Peter Jenkins wrote in the *Guardian* and as Roy Jenkins too might well have written — the leaders of the nations of Europe looked beyond the ends their noses and fixed their eyes on the political horizon. This is most important. Of course, Europe must not meekly go along with ill-considered American adventures. That would be extremely dangerous.

On the other hand, if a Europe as divided as we are today were to leave the United States to act in isolation, we should be running a great risk of being dragged into any ensuing conflict, and in the present dangerous world situation, combined leadership of the Western World by Europe and America is indispensable. Greater cohesion between the Nine is equally indispensable, and that being so, it is incredible that the Community has been in a state of crisis for months

## De Goede

now. I very much hope that this debate in the European Parliament will help to bring about this sorely needed cohesion as quickly as possible. This applies to the question of Afghanistan, East-West relations, Iran and also to the fresh tensions in the Middle East.

Mr President, as far as the Community's internal problems are concerned, the budget question is of course very urgent, although the Council appears to take a different view. By all means talk about farm-prices; by all means talk about the British contribution to the budget; but there can be no justification for delaying submitting a new draft budget for 1980, which the Commission already did on 19 February. The Council has not even responded to the Commission's proposal nor to the request made by the European Parliament as partner in the budgetary authority.

Mr Dankert's motion for a resolution — which is one of the things we are talking about today — rightly makes the point that the European Parliament is not prepared to forego the right to exercise its budgetary powers to the full. I must refute the previous speaker's suggestion that Parliament committed a tactical error in rejecting the budget. When we rejected the budget, Mr President, what we were after was not to paralyse the Community but, on the contrary, to give it added stimulus by achieving a better balance in the Community's expenditure. Increasingly, we are faced with the pressing question of how long we can carry on before our own resources are exhausted. As for the Commission, it suffered a serious defeat in Luxembourg. Of the fighting words uttered by Mr Gundelach at the beginning of this year to the effect that he would withdraw his price proposals if the economy measures were not accepted, nothing has remained. That is not good news, either for Mr Gundelach, for the Commission or for the European Parliament, although in the major agricultural debate at the end of March we ourselves did not exactly display a capacity for decisive action when it came to fixing the price increase and the super-levy. Be that as it may, the real question for the Council and the Commission to answer today is why the Eight are unwilling to reach a decision on farm prices. I should be grateful for a definite answer from the Council and the Commission to this obvious question. Finally, Mr President, I should like to ask a question about the report of the Three Wise Men. The communiqué of 27 and 28 April states that the European Council in particular made no progress on the proposals put forward by the Three Wise Men on the composition of the Commission and the procedure for appointing a new President of the Commission.

According to the communiqué, the European Council agreed that it should itself choose the President of the Commission at least six months before he takes office. That is roughly six weeks from today. The communiqué also states that Greece will be associated with this procedure. What the communiqué does not mention, Mr President, is to what extent the European Parliament will be involved in the procedure. It will

not have escaped the attention of the Council and the Commission that at our last part-session we discussed and adopted the Rey Report; this report stated explicitly that the European Parliament wished to be involved in the appointment of the new Commission. I predict that, by not involving the European Parliament in the appointment of the new Commission, the Council will risk coming into conflict once again with this House when the new Commission — appointed without the European Parliament being consulted — eventually takes office. Here again, I should appreciate a clear explanation from the Council.

**President.** — I call Mrs Castle.

**Mrs Castle.** — Mr President, I am afraid that we in the British Labour Group cannot accept the Committee on Budgets' motion which is before the House this afternoon. Indeed I deeply regret that any resolution has been put forward by the Committee on Budgets at all, because it is a sign of weakness on Parliament's part. One of the reasons why we cannot accept it is that Item 5 simply does not bear the interpretation that the rapporteur put on it in his speech this morning. I fully appreciate that my good colleague Pieter Dankert was sincere when he said that the Committee on Budgets had no intention in this item of committing itself on the farm-price issue. But that is not what paragraph 5 actually says.

The point I want to raise is a much more far-reaching one: in this struggle for budgetary control it is not the Council that has capitulated but Parliament. Mr Colombo made it clear to us in his speech this morning that the Council has no intention of submitting a draft budget until after agreement has been reached in the Council of Ministers on the farm-price issue and the UK contribution argument.

So, what are we suggesting? The Council is not giving way. What we are suggesting is that we go ahead with a draft budget without first deciding agricultural and farm-price policy. And yet the settlement of this issue is central to the whole of last December's argument. It was disagreement on the distribution of our budgetary resources that led this Parliament to reject the budget. That issue remains unresolved. Until we know what is going to be spent on agricultural policy, how can we decide what will be left for other policies? That was what we were arguing about last December; that is what we were complaining about. We said the imbalance of the budget had to be put right first.

Now we are proposing to run away from that, because if we go ahead with a budget leaving the agricultural policy issue open, what happens to all our other policies and the stand we made on them? What happens to our stand on the question of the Regional Fund, our increasingly insistent demand that the non-quota section be generously increased? What happens to our social policies, to our demand for an interim anti-

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poverty programme and expenditure on a number of other urgent matters as well? What happens to industrial development? What happens to the expansion of food aid? What happens to the demand for the budgetization of the Development Fund? What happens to our demand for aid to non-associated countries? These were the issues of principle on which we fought. We are conveniently forgetting them all this afternoon. What the Committee on Budgets' resolution in effect means, never mind whether there is going to be any money left for that or not, let us go ahead and get a draft budget so that we can be in business again; in business for what?

Oh yes, we shall have solved the problem of our own salaries and our own expense accounts, but we shall not have solved the problem of the needs of the hungry millions of the world. We will once again have run away from the political issues which alone can give validity and interest to the work of this Parliament.

If we pass this resolution this afternoon, we shall get at our request a draft budget based on the Commission's latest proposals for food-price increases. Now, we get that draft budget, we accept the Commission's proposals not of February, which we were fighting on, but of the April amendments admitted at Luxembourg, and if they are in a draft budget for which we have asked, does anybody in this Parliament think we are going to vote for less? Reserve our position indeed, but only to ask for more!

And has anybody any doubt that the British Government is waiting to line itself up with that 5 % food-price increase? Mrs Thatcher has made it absolutely clear — Give me, she says, my adjustment in the UK contribution, I will meet you on the farm-price increases. I will accept a sheepmeat regime. In other words, she will have relieved some of the burden on the British taxpayer only to put it on the shoulders of the British consumer instead. We shall have abdicated the fight for a fundamental reform of the common agricultural policy. We shall have abandoned the fight for a reorientation of this Community's policies.

I am only sorry that the Commission has lost its political nerve. We know what the price increases are going to mean: we have been told this afternoon — some of us were told in the Committee on Agriculture earlier — that they are going to mean an additional expenditure on agriculture in a full year of 1 billion European units of account, and by 1981 that will have gone up to 1.3 billion EUA. That is expenditure on the Guarantee Section alone, quite apart from any further price increases that will have taken place in the interim.

We are pressing nearer and nearer the ceiling of the Community's own resources. What do you think is going to be squeezed out? — All those other policies for which we fought so passionately and idealistically only a few months ago. What has happened to the

great reforms that were going to deal with the outrageous surpluses? What has happened to that marvellous bold bid we had from Mr Gundelach urging us to accept an 84 % tax on any milk production in excess of the 1979 figure *minus* 1 %?

What are the proposals the Commission is now urging on us, here today, in this Parliament? It is saying, oh well, we will introduce some kind of superlevy in 1981 if milk production has increased by more than 1½ % beyond the figure for 1979. So they are proposing to finance a level of milk production 2½ % higher than that we were talking about a few months ago! Mr Jenkins told us, 'We have agreed on the principle, we have not yet agreed on the modalities'. When we agree on the modalities, I shall begin to believe we have accepted the principle; because if our courage has run out this year, why should it not run out yet again in 1981? To cap it all, we are to have something like a 4 % milk-price increase. Not a price-freeze on goods in surplus, but an increase which everybody in this House knows is totally unjustified by any market considerations on which a sensible agricultural policy could be based. So we urge this Parliament not to run away, not to be in the position of the supplicant. Mr Tugendhat was saying this morning that the provisional twelfths system could not carry us beyond the autumn of this year. Good! We have got a lever, haven't we? Why are we the ones to want to hurry and throw it away? It is not only we who are feeling the pinch with the cuts in our allowances and so on; the whole of the Community's policy is feeling the pinch. And if we meant it when we said last December that we wanted reforms, this is the moment to stand firm for them. For if we stand firm, perhaps at last the Council and the Commission will have to take some steps in the direction for which we asked.

So I regret that we should have shown a loss of nerve. The Commission may have lost its political nerve: I hope that will not be true of this Parliament.

(Applause)

**President.** — I call Mr Langes.

**Mr Langes.** — (D) Mr President, ladies and gentlemen, the line taken by most of the speakers we have heard today seems to be that if the Council does not submit a budget without any further ado, Parliament will have to take the initiative alone, because any further procrastination by the Council will mean that the European Community will have to declare itself bankrupt by the autumn at the latest. I think this point has emerged clearly from most of the speeches we have heard today. Like Mr Notenboom, I am speaking here on behalf of the European People's Party and for our whole Group. That is the essential difference between us and the members of the Socialist Group, from whom we have so far heard three very different

## Langes

speeches. That is something I very much deplore, because what we need above all this time is a joint response. 80 % of this House supported rejection of the 1980 budget, and we should show the same degree of solidarity today in supporting the joint motion for a resolution tabled by the Committee on Budgets, because it is important for us to take a clear public stand and, internally, to tell the Council and the Commission that things simply cannot go on like this.

I get the impression, Mrs Castle, that you have made no serious attempt to read the motion for a resolution tabled by the Committee on Budgets, because the section dealing with agricultural policy measures says very clearly that we want the Commission to base its draft budget on the initial draft of February and the Luxembourg compromise, in other words, taking into account the wishes of Parliament as regards tackling the surpluses caused by an unbalanced agricultural structure. That is still precisely what this House wants today. But Parliament cannot be content simply to say No. We do not want to create the kind of mild chaos which you are out to cause by simply saying No to everything, No to this Europe. We need a Europe which is prepared to cooperate and that is why — and this is a proposal put forward by the European People's Party — we want to see the budget include a multi-year aid package for the United Kingdom, because we realize how difficult it is to get established in this Europe, and we realize the importance of solidarity. We know that there can be no *juste retour* as many of your compatriots seem to think, but that we must all pull together to help whoever is in the most difficult position at any particular moment.

It therefore follows that the United Kingdom should of course receive support over a number of years. Please note that that is what we call a constructive policy, as opposed to the creation of chaos by simply saying No to this Europe. Our motion for a resolution also states very clearly — and I would commend the concluding remarks to Mrs Castle's attention — that this Parliament realizes that if the Council again fails to put forward a proposal because of petty national jealousies among its members, Parliament will have to make use of its budgetary powers and take all the political and legal measures available to it.

What that amounts to is that we shall then have to get together — with your support, I hope — to decide whether or not to ask where exactly it says that the Council's decisions have to be unanimous. The Treaty refers to majority decisions, but if — for that reason — the Council is unable to act, then it is in breach of the Treaty. Where does it say that Parliament has no right to put forward an alternative proposal if one of the European Community's institutions lacks the ability or will to take action itself? That, ladies and gentlemen, is what we shall have to decide. It may all sound a little rash at the moment, but let me ask you, who were sent here by the people of Europe, whether you are prepared to go on for months simply accepting this

inaction on the part of the Council because the nine members of the Council cannot manage to speak with a single voice? That is why I am against appealing first of all to the Court of Justice, because it is up to the Council to go before the Court of Justice to see whether we have bent the law or not what is right in the interests of the Community and its citizens.

Ladies and gentlemen, this issue is under serious discussion here, and I would ask you to give it some thought. I hope things will not come to that pass and — as Mr Colombo said so optimistically this morning, the Council will reach a decision this month. That is something I would very much welcome, because I am not the kind of person who likes having to take extreme measures. Europe has quite enough problems without creating any more. However, the Council must realize that this House is not prepared to sit back and do nothing if nothing is forthcoming from the Council.

Ladies and gentlemen, to ensure that our voice is heard loud and clear, I would ask you all most sincerely to ignore all those trivial points which you feel may have been better formulated in this motion for a resolution because the important thing is the four main ideas which the European People's Party had incorporated in the resolution. I would beg your support for this motion for a resolution because we are, after all, here to see that — as the Romans used to say *tua res agitur*.

(Applause)

**President.** — I call Mr Taylor.

**Mr J. M. Taylor.** — Mr President, I present my respects to the President-in-Office of the Council and convey to him our appreciation of his continuing efforts. Of course Parliament has observed, and observed with anxiety, the recent meeting of the European Council on which the President has reported, and Parliament is all too well aware of the differences which divide the Ministers and the Member States; but I do think it is worth while reminding ourselves that the differences within the Community are as nothing when compared with the broader European common causes and the common dangers which Europe at this time faces.

The Council has not resolved the outstanding budgetary problems, and that is very important. What Parliament must remember, however, is that this is not in some way Parliament's fault. I have heard a number of people running round recently saying that Parliament must do something. In truth, the one thing that Parliament must do is maintain its position and preserve its dignity. Parliament has done nothing wrong. It has adopted a series of careful and consistent attitudes and it must resist the dangerous temptation to scurry

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around and in some way re-order or rearrange its convictions in the false hope that by doing so it will make the Council's task any easier. In fact it will not: it will merely weaken Parliament and arguably make the Council's task more obscure.

In November, this Parliament took a line on convergence and the problems which might confront Member States, and it was good. In December, we rejected the Council's 1980 draft budget because its emphasis was unduly agricultural, and that was good as well. In March, we achieved a position on farm prices, and there was not much wrong with that either. Meanwhile, the Commission, to its credit, offered a new preliminary draft budget in February, and in March this Parliament is on record as having formally called on the Council for a draft budget. That was two months ago: Article 175 of the EEC Treaty has something to say about the elapsing of that interval of two months, and I fear we shall have more to hear on that subject in the future. But let us be optimistic and let us hope that under the President-in-Office of the Council the present exertions to solve problems will bear fruit.

They are addressing themselves fundamentally, as we all know, to two cardinal problems: the balance of the contribution of one Member State, and the scale of agricultural spending. Let no one be under any illusion: these problems are not only linked, but they are both indivisible from the Community budget as a whole. Parliament has expressed itself on agricultural spending and Parliament is jealous of its budgetary powers, and this is not a time to retreat from the first position or to squander the budgetary powers by what I might call hairbrained, even if daring, schemes that one has heard canvassed in certain quarters for the Parliament to go it alone as a budgetary authority. I have no doubt that later in this debate that theme will be developed; but I want this Parliament to bear in mind that its precious budgetary powers would not have been well used to date and would not be enhanced if an attempt were made at some device not recognized in the Treaty.

Mr President, on the question of the problems of one Member State, I want to say in this Parliament that my group is very appreciative indeed of the attitudes and understanding shown by very many colleagues in this Parliament to those problems.

*(Applause)*

Many of us noted with great interest the singular and original contribution made by Mr Rey from these elected benches earlier today. I would ask him, however, to bear in mind when drawing his analogies that the present problem truly is a European problem and not merely a British problem. Were it not for the membership in this Community of one country that contributes three times more than it takes out, the other members of the Community on their own would

be through the VAT ceiling already, so that the British budgetary imbalance is merely concealing a problem which is inherent and structural in the Community and has now become critical.

Mr President, this group finds itself very much in agreement with most of the motion for a resolution tabled by Mr Dankert. There are two textual points which are not of great importance but which should be mentioned in the debate. First, in paragraph 5, mention is made of 'current proposals for agriculture of 30 April'. I am not sure that they have ever been tabled in such terms in this Parliament, so this Parliament should beware of embracing the indefinite. Secondly in paragraph 7 there is reference to 'a few years' in the solution of the British problem and I distinctly recall the English text in the Committee on Budgets being 'a number of years'. But I pass that by to say this: that the point of principle upon which we depart from the rapporteur's text is a crucial one and it is set out in our Amendment No 1. We believe very strongly as a group in the role of the Parliament in the European Community and especially, of course, in its budgetary powers. It is precisely for this reason that we distrust and reject any attempt to divide the budget or to settle on a budget which has merely provisional entries in certain crucial unresolved areas. Only by regarding the Community budget as a serious definitive statement can Parliament control the balance of the budget — it was lack of balance that caused us to reject the budget in December — and contain to a minimum the size and incidence of unwanted supplementary budgets. In this way that I am suggesting lies true budgetary discipline, and that in turn is the way to the true authority of this elected Parliament.

Mr President, we know that we have got to endure inconvenience and anxiety, but I think they are worth enduring. The President-in-Office of the Council should take a message back from this Parliament to the Council, and it should be this: Be careful, be wise and be quick! Europe waits on your efforts with the greatest concern. Make it a whole job, make it fair, get it right and make it endure!

*(Applause)*

**President.** — I call Mr Nord.

**Mr Nord.** — *(NL)* Mr President, Mr Jean Rey and Mr Visentini have, on behalf of our Group dealt with the general political aspects of the crisis the Community has been in for some time. The international situation calls for a European Community which is strong and unified and is capable of solving its own problems and thus making a very welcome contribution to international efforts to achieve more stability on the planet Earth. That is the essential point behind my Group's attitude to the budget, and that is the background against which I should like to make a few brief



## Nord

comments on the motion for a resolution tabled by the Committee on Budgets.

In our opinion, the European Parliament now has a duty to take the initiative to try to put an end to the period of budgetary uncertainty we have been in for some time now. We believe it is our duty not because this House has lost its nerve or because of any pangs of conscience for having rejected the original draft budget in December last year, as Mr Taylor rightly said just now. We have done nothing wrong; we have simply made use of a right that we have under the Treaties. So it is not for these reasons that my Group thinks we should now take the initiative, but simply because we — as one arm of the budgetary authority — have a duty to do so.

This means we cannot allow the Community to go without a budget for evermore. The Commission's statement showed clearly how quickly the Commission, and hence the Community as a whole, will get into serious trouble if the budgetary procedure is not brought to its normal conclusion.

Mr President, this House had two alternative means of taking such an initiative. Firstly, every political Group could have submitted a final text, with each one subsequently being discussed and voted on separately. We were prepared for this and had drawn up a text of our own. Our preference, however, was for the other method — and we were pleased to find that most of the other groups shared our thinking on this — which was to get our Committee on Budgets to try and draw up a joint text which could be supported by as large a majority as possible in this House. As certain special requests from my Group met with the approval of the Committee on Budgets and thus came in incorporated in the final text, my Group stands four-square behind the Committee's motion for a resolution, which we shall be voting for when the time comes.

We hope that no further attempt will be made to amend the text. A torrent of amendments would result in the disintegration of this hard-won compromise. If everyone tries to ride his own hobby horse and gets various new clauses inserted in the resolution, the result could be that we will be unable to adopt any motion at all. We shall, therefore, in principle vote against any amendments that are tabled because, as far as we are concerned, the important thing at the moment is to ensure that this House produces as large a majority as possible for a resolution which may well not be ideal, but which is the best we can do at the present time. My Group feels that, by doing so, we shall have done our duty and shown the President-in-Office of the Council in no mean terms what this House is looking for and expects from the meetings of the Council at the end of this month.

There are, Mr President, two special aspects of the motion for a resolution: the question of agricultural policy and farm prices and the question of the British

contribution to the Community budget. These two aspects will be dealt with on behalf of our Group by Mr Galland and Mr Delatte, and I should like to conclude my remarks now to give them the opportunity to say their piece and not use up the very few minutes' speaking time our Group has been allocated today.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, we are unfortunately forced to admit that the European Council in Luxembourg on 27 and 28 April was not exactly a success. No solution was found to the main problem, i.e. the United Kingdom's contribution to the Community, in spite of very generous offers from both Germany and France, and I deeply regret the fact that it did not prove possible to reach an acceptable compromise, since this puts the existence of the Community in jeopardy.

We are in a situation where one single Member State does not want to play by the rules. It has signed treaties. It has subscribed to conditions of cooperation and payment etc., but suddenly it does not want to play any more and uses all the tricks it can to try and get its own way. We can hardly accept one of the Nine being able to lord it over the other eight. We must, therefore, urge the British Government to come to its senses and behave in a way which is acceptable within the context of cooperation — to show a European spirit and a willingness to cooperate as Europeans rather than mere nationalist egotism. This is of course something of which all the Member States are guilty within certain acceptable limits, but we must admit that the British Government is going far beyond what is acceptable. We can see this in monetary cooperation or the lack of it, in the fisheries sector and in agriculture, etc. Thus it is not just one area which is concerned. And now the United Kingdom is trying to use the agricultural policy as a means of applying pressure with a view to getting its contribution reduced. This is unacceptable both for all the farmers within the Community and for all the Members of this Parliament.

**President.** — I call Mr Bonde.

**Mr Bonde.** — (DK) Mr President, the People's Movement against the EEC does not regret that the meeting in Luxembourg did not result in a compromise to which all parties could agree, since the British Prime Minister's 'No' made it possible for the Danish Government to come close to the limit specified in the provisions contained in the Danish constitution governing the approval expenditure. Our Minister went to Luxembourg expecting to agree to paying a few hundred million kroner, but before the night was over it turned out that Danish tax payers were supposed to be paying 350 million kroner extra in

**Bonde**

order to keep the United Kingdom in the Community. Mrs Thatcher's 'No' made it possible for the government to obtain the Folketing's approval for this extra expenditure. The People's Movement might have wished it had been the Danish minister who said no, or at least wished to reserve its position until the decisions of the European Council had been put before the Danish Folketing and been the object of public debate. However, we will make no bones about the fact that we find it a little strange that the Danish Government can find 350 million kroner at a time when it is planning the largest cutback since the war and has made an European record in monetary problems with a balance of payments deficit which now exceeds 80 000 million kroner. It is all the more peculiar in that the majority of the people of Denmark, who are opposed to Danish membership of the Community, are now to pay towards keeping the United Kingdom in the Community at a time when an increasing majority of British people wish the United Kingdom to leave the Community.

I am one of those who can well understand the United Kingdom's budgetary demands, and I would be glad if we could meet these demands many times over. This could be done quite simply by the House of Commons deciding that the United Kingdom should leave the Community. In this way, the whole amount could be saved, and not just the half of whatever proportion is finally agreed upon. The United Kingdom is paying far too high an insurance premium for the privilege of being in the Community and, apart from that, it is paying for an insurance which, as we know by experience, is a guarantee that damage will be suffered. We can therefore only recommend that the United Kingdom and Denmark change their insurance company.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — (*I*) Mr President, ladies and gentlemen, representatives of the Council, there is no doubt that we are going through the gravest crisis — whether internal or external — with which the European Community has ever been faced. I am in agreement with those who have said here that we need to have the courage to admit as much and to say so publicly. This does not mean being pessimistic, but, in my opinion, it means being realistic, which is the only way we can deal with the problems which beset us with the necessary knowledge of the technical and political difficulties that have to be overcome and with all the strength and the commitment that such a task requires if we seriously wish to have a reasonable chance of succeeding.

Regarding the budget and, in particular, the United Kingdom's contribution to the Community budget — a topic on which Mr Colombo has already spoken at some length, although he lost no time at all in dismissing any idea of the budget proper being submitted to

us in the immediate future — it is clear that, despite all the good book-keeping reasons to do with the British economy and the delays in the Community's structural and investment policies we are faced first and foremost with a lack of united political will. This was recently confirmed by the attitudes of the French and British governments — we might as well say it aloud — to the international crisis in which we are involved, a crisis in which, whether we like it or not, we are the most directly and the most seriously affected countries, not just as allies of the United States and the other countries of the Atlantic Alliance, but also in our very identity as Europeans — in other words, we are the ones most likely to suffer the political, economic and perhaps even military consequences of the aggravation of the crisis or any failure to resolve it. Unfortunately, the Europe of the Community has many voices and not a single voice, as would be required to voice — not just through the deliberations of our Parliament but through concrete political facts, through the will of the majority of the Council of Ministers and, above all, through the responsible decisions taken by the governments of the nine Member States — a common commitment to the struggle to defend peace and security.

The defence of these ideals must be one and indivisible, endangered, Mr Fanti, only and exclusively by the power politics and the imperialistic manoeuvrings of the USSR and international communism, certainly not by anyone else. It is not enough to condemn the occupation of Afghanistan, as it was perhaps convenient for the majority of the members of certain European communist parties to do, but instead we must look for the right measures to force Russia to withdraw from Afghanistan, thereby isolating the Russians and those countries and communist parties which have supported them. We must do this as regards Afghanistan and we must do it for Iran, being prepared Mr Scott-Hopkins, to accept the deliberations of the Parliament and the Council of Ministers and their expressions of solidarity with the people of the United States — because it is not so much the government as the people of the United States who are affected by this absurd and tragic story of the hostages in Iran. But we must also accept the practical measures which Parliament and the Council have decided to adopt, i.e. the sanctions, the value of which is perhaps more moral than practical, though they are not without their uses, if President Bani Sadr himself is finally forced to say that if Iran did not find a way out of its present isolation and the even greater isolation it was facing, the real hostages would become the Iranians themselves.

Someone said that if the forthcoming summit meeting in Venice were to fail, after the failures of the meetings in Dublin and Luxembourg, and I might add, after the failure of the abortive Naples meeting, our six months Presidency would conclude on a distinct note of failure. But the fault cannot be attributed just to our Presidency. There is no doubt that Italy, as it is at this moment — perpetually racked by

**Romualdi**

government crises and grappling with its *de facto* compromise with the communist party — has not been in the best political condition to carry out properly and consistently at this difficult moment the by no means simple task of presiding over the Community. What was needed was a Presidency promoted by unity of action and decision, without which detente, peace and security — which we are talking about — are unattainable aims or, rather, end up as turning into mere instruments of the policies of the Soviet Union and its satellite parties and countries.

**9. Urgent debate**

**President.** — I have received a motion for a resolution (Doc. 1-187/80) by Mr Seal and others, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the situation in South Korea.

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

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

**10. Statement by Council and Commission on the European Council of 27 and 28 April 1980 — Need for rapid adoption of budget (continuation)**

**President.** — I call Mr Didò.

**Mr Didò.** — (I) Mr President, ladies and gentlemen, I shall be brief and dwell in particular on that part of Mr Colombo's report which dealt with the budget, because I am convinced that the Community's inability to solve its internal problems and reinforce its political cohesion are both cause and effect of the minor role that Europe plays on the international political scene.

Let me say immediately that in the President of the Council's statement there is a very important admission of the 'major crisis towards which the Community is heading' — to use his words — which is, however, accompanied by an acknowledgement of the impotence of the Community institutions themselves, and it is this fact that highlights the real gravity of the situation in which we find ourselves. Here we must frankly emphasize how inadequate and even disappointing Mr Colombo's speech was, since he has in effect no proposals to make, just as he omits any reference either to structural policy or to economic policy.

We have been told that even the further development of the EMS, with the creation of the European Monetary Fund and the definition of the function of the ECU, has been more or less postponed to the

Greek Kalends. There was not even any reference to March 1981, which had been established as the starting date for the second stage of the EMS.

It is obvious that we can expect even less of the Council's commitment to those policies that were intended to accompany the EMS, i.e. structural intervention policies, designed to tackle the fundamental problems of the convergence of the economies of the Member States and at the same time knock any tendencies towards a 'fair return' firmly on the head as prejudicial to any prospect of strengthening the EEC.

On the other hand, when it is said that the gap between the opposing positions had been reduced at the Naples summit to the tiny margin of a few million units of account and that, in spite of this, agreement was not possible, there would appear to be a much deeper reason for this lack of agreement. There are, obviously, some people whose aim is to reduce the Community to a 'free trade area', and there is a tendency on the part of the European Council to tolerate quite happily the present standstill in the process of European integration: but we ought to be aware that standing still means going backwards in the direction of the disintegration of the European Community.

The budget problems should be looked at in this dramatic light.

As a Parliament, it is our duty to denounce firmly the serious blame which attaches to both the Council and the governments of the Member States for this situation.

We take due note of the President of the Council's declared aim of finding a solution to those outstanding problems between now and June. But declarations of good will are not enough.

We must remind the Council of its constitutional duties, which oblige it in any case, and, at the point at which we have arrived now, by June at the latest, to put before this House a budget proposal based on the draft budget previously drawn up by the Commission in February and incorporating the agreement which has already been reached on agricultural prices. On this basis, the procedure of consultation between the budgetary authorities must be urgently set in motion.

But we cannot help drawing attention to the extremely worrying fact that even if we manage to avoid a seizing-up of the Community mechanisms before the budget has been approved, we shall in any case find that we are running out of funds because of the heavy burden of agricultural expenditure and the cost of a solution to the problem of the British contribution to the budget.

In such a situation, therefore, there is no chance of implementing meaningful Community policies in the

Didò

fields of industry, energy and regional and social affairs. We must therefore immediately provide for the adoption of appropriate measures to increase Community income gradually on the basis of a new multi-annual budget, starting in 1981, as various people in this Parliament have already recommended. The lay-out of the new budget must be linked directly and plainly to a medium-term structural policy with the declared objectives of full employment and overcoming the present regional imbalances in the Community.

But fine words and recommendations are no longer enough: we need facts, and the facts must come from the Community institutions — from the Commission, from the Council of Ministers and from the European Council. Parliament, for its part, must live up fully to its duties to provide guidance, stimulus and control, tasks which have been entrusted to it by the electorate.

**President.** — I call Mr Tolman.

**Mr Tolman.** — (NL) Mr President, my Group has split responsibility for this subject, and Mr Ligios and myself are concentrating on the agricultural sector, which is undoubtedly an important element in this debate. It will be no surprise to anyone that I should like to refer in this connection to the last debate on agriculture at the special part-session on 26 March, when I came to the conclusion that a very large majority of the House was in favour of a price increase of 5 % or more, which was thus at odds with the Commission's proposal. This majority was not expressed in a vote because of the procedural arrangements: at the time, Parliament was more or less counted out on a technicality. Nevertheless, I believe that the mood of that meeting has had repercussions and has decisively affected the Council's decision and the compromise that the Commission has accepted. I can understand why Mr Jenkins this morning said this compromise was being put forward with no great joy. That is a perfectly understandable attitude if you have always taken a quite different view and have had to suffer defeat after defeat. I quite appreciate that the Commission cannot be any too happy about the outcome. For all that, I am glad that a compromise has been reached at this particular moment, and I am prepared to accept it. Of course, this clear departure from the Commission's proposal is bound to have repercussions on the budget. I realize that, but I wish to dissociate myself from those who are confident they can work out precisely what effect farm-price increases will have on the budget — and let us not forget that these increases are essential to safeguard the incomes of many millions of people in Europe. I always take such statements with a pinch of salt. To some extent they may be accurate, but in other ways they are extremely debatable.

I do not want to go into detail on the subject of agriculture and dairy policy, but there are nonetheless a

few remarks I should like to make. We must be consistent at least. I shall confine myself to the dairy sector. Last year, when we discussed the problems facing this sector, it was said that if production rose by more than 0.5 %, a levy of 1.5 % would have to be imposed. Mr Jenkins now tells us that the original 1.5 % has risen to 2 % to counterbalance the increase in the price of milk. In my opinion, this sort of thing — although it may not be of fundamental importance — is not right. That is one reason why my Group feels the need to discuss the whole problem of the co-responsibility levy, which has now become an instrument of budgetary policy, and I can assure you that we shall be giving this matter our attention. Unfortunately, my Group's constructive proposals on the level of production have not met with approval in the agricultural debates. We would also point out that the Council, far from taking any effective decision on this matter, is still at the moment dragging its feet somewhat. All in all, Mr President, we are nonetheless satisfied with the decision the Council has now taken because it does to some extent offer a solution and this includes the agricultural sector.

I should like to add my voice to Mr Nord's insistence on the great importance of this motion for a resolution, which, instead of being tabled by just one group, represents the views of several political parties. This House now has a great opportunity to adopt this resolution tomorrow by a large majority and to refrain from the numerous amendments we have grown accustomed to in this House.

Finally, Mr President, let me point out that speed is of the essence, as regards both the budget and farm prices. There are clear signs of disintegration setting in, and I am not surprised to find that the French, for instance, are planning to introduce national measures in the near future. Something has got to be done in Europe, but that is the wrong way to go about things. I should therefore like to repeat the question we have heard from a number of speakers today: if it proves impossible to solve all the problems and if the question of the British contribution to the budget remains unresolved, why can we not have recourse to a majority decision? Eight of the nine Member States are agreed on the question we are talking about at the moment. I think we would be well advised to take to heart the words we heard from Mr Rey this morning. The line taken in 1965 with regard to France could well be a suitable response to the current problem regarding the United Kingdom. What our Group is after, Mr President, is not the expulsion of the United Kingdom, but constructive pursuit of a European policy.

(Applause)

**President.** — I call Mr Colombo.

**Mr Colombo, President-in-Office of the Council.** — (I) Mr President, thank you for calling me...

**President.** — Mrs Macciocchi has asked to speak on a procedural motion. Mrs Macciocchi, you may speak.

**Mrs Macciocchi.** — (*I*) Mr President, I should like to know whether we have already got to the end of the list of speakers, because though I was on the list, I have not yet been called. In addition, I should like to know whether Mr Colombo intends to reply now to all those who have spoken previously.

**President.** — We have not yet got to the end of speakers, and consequently you will therefore be called when your turn comes. Mr Colombo, please continue.

**Mr Colombo, President-in-Office of the Council.** — (*I*) ... I should like to take up what Mrs Macciocchi just said. The debate is certainly not over, and it will continue with the other comments which may be made by the Council at the end of this debate if the opportunity arises. As far as I am concerned, and as far as my position here today permits, I should like to take up various points raised during this long and extremely interesting debate for which I should like to thank all those Members of this House who have taken part.

First of all, I should like to assure you that the Italian Presidency will do its utmost to ensure that we have a budget as soon as possible. I want to take up something which Mr Lange said, or rather something which is worrying Mr Lange, which is all the more significant as Mr Lange has great authority in budgetary matters in view of his long parliamentary experience. He referred to the possibility that the delay in putting the budget before this House might in some way reflect a wish to punish Parliament and its Members for rejecting the budget during the sitting of 13 December 1979. I think that this idea can be ruled out, knowing as I do the thinking of my colleagues who are discussing these problems at the Council of Ministers. On this point, I should like to reassure all the members of this House and add that, in view of the serious consequences of the lack of a Community budget, we should really be descending to a very petty level in our relations with each other and in our political thinking if we were to let ourselves be guided by moods and impulses in taking decisions whose consequences everyone — myself included — regrets. The fact is that I agree with all those Members who have pointed out how grave the lack of a budget is for the Parliament and for the Community — for the entire Community.

In answer to those who want the budget to be put before this House immediately, I should like to remind you of the precedents which we witnessed together on the night of 12/13 December 1979. We failed to approve the budget for various reasons which I think I can appreciate now as I appreciated them then. We

failed to reach agreement because there were differences amongst us concerning the problem of agricultural expenditure, the measures to rationalize agricultural expenditure, in particular the co-responsibility levy and the possibility of a co-responsibility super-levy.

This difference of opinion also turned on the question of the importance assigned to other policies compared to the importance given to the agricultural policy. If we are to discuss these problems in any way realistically, I do not think we can shut ourselves up in this House and ignore everything that has happened in the meantime.

All the Member States, and some more than others, have established a close link between the problem of agricultural prices and the rationalization of agricultural expenditure, and the budgetary problems, including the problem of the United Kingdom contribution. And so when we are asked to submit a budget based on the proposals put forward by the Commission in February or, even more, based on its previous proposals, which were no more than hypothetical solutions to the agricultural problem and when we are asked to do this at a time when there is agreement on agriculture between eight of the parties or even, in my opinion, all nine of them, apart from the general political proviso inherent in the current negotiations, we run the risk of losing touch with the realities of the situation. The specific problem is when and how could those governments and those Member States which have established this close link between agricultural problems — such as prices and the rationalization of expenditure — and the budgetary problems, or rather the problem of the British contribution — when and how could they approve in the Council a budget which will be significantly 'detached' from these topics, even if only as a provisional solution? By this I do not mean to say that we shall not do everything in our power. Only the other day, at the Naples meeting, I raised the problem of the budget in full awareness of the views of this Parliament. The difficulties which arose are the very ones that I have just indicated.

This is why we must attempt to look at the budget problem with the utmost commitment taking due account of the fact that the budgetary problems are linked to the other problems to which I referred earlier on. The effort that we must make is to solve *in concreto* all those problems that touch upon the budget itself and which consequently determine in one way or another the size and the nature of the budget.

Permit me now to make one or two observations on other aspects of political cooperation. As regards the question of what Europe can do, I believe we must strengthen political cooperation, especially in view of the situation facing us today. I hope I may be allowed to say something a little more optimistic than the pessimistic remarks I made this morning on the question of Community problems. I must say that during

## Colombo

these last few months, whereas it was more difficult to achieve agreement on Community problems, it was generally easier to adopt common attitudes — such as we have indeed adopted — with regard to the problems of Iran, Afghanistan and the Middle East. In some sense the Community has become more sensitive to the problems of political cooperation. At a time when there is a glimmer of hope of resuming the dialogue, political cooperation must be strengthened and taken as a basis for any waves we make.

It is difficult to say for sure at this stage whether or not a dialogue is possible. The Vienna celebrations constituted an occasion when there appeared to be a faint ray of hope that the dialogue might be resumed. There was a meeting not just between the American Secretary of State, Mr Muskie, and the Soviet Foreign Minister, Mr Gromyko, but also the Foreign Minister of the Federal Republic of Germany, the Foreign Minister of the United Kingdom, the Foreign Minister of France and the Foreign Minister of Italy — who is also the President-in-Office of the body responsible for political cooperation — all met the Soviet Minister for Foreign Affairs.

It seems to me that, despite the extreme seriousness of the present situation, there is a desire to resume the dialogue. Anybody — not here, but outside this House — making a superficial assessment of the seriousness of the problems we are faced with — we need only think of the gravity of the Afghanistan problem, the delicate and, above all, emotional implications of the Iranian problem, and current developments in the Middle East — and maintaining that, as a result of the informal talks in Vienna one could already draw conclusions or that certain moves were in the offing, would in my opinion, be acting naively in the light of the gravity of the problems with which we are confronted at this moment.

Mr Fanti, you spoke in favourable terms of the proposals recently put forward by the government in Kabul. Permit me to say that this approach will not help to solve these problems. Meetings of Heads of State at the highest level possible are all very welcome, but I am not sure to what extent initiatives of this sort may promote an objective and serious evaluation of problems as grave as the ones we are dealing with now. We must move towards resuming the dialogue; we must act like Europeans; we must act like members of the Western World.

Let me now make one final remark. Everywhere — in my country as in this House — the European initiative is contrasted, as an autonomous and independent move, with initiatives based on the solidarity of the entire western world. To some extent the European initiative is thus made to appear out of line with European solidarity. It seems to me that this would be a bad turn for our discussions to take, because it would undermine the European initiative, it would undermine the western initiatives, it would close the road to

a real and genuine dialogue, and in the final analysis it would undermine the position of those who would have to participate in such a dialogue.

I believe that Europe, by virtue of the identity which it can express — and we ourselves regretted here today that we do not always manage to agree on the questions covered by political cooperation — can and must launch its own initiatives. It has done so in the case of Afghanistan, and it is preparing to do so in the case of the Middle East; but woe betide us if we do not see such things against the background of a broader solidarity which, more than anything else derives from the fact of belonging — at least for most of us — to the same system of alliances imposing political solidarity.

As part of these considerations inherent in any resumption of the dialogue, I cannot but point out one positive result inspired by a clear vision of political cooperation and which is being achieved through an instrument of economic and financial cooperation, i.e. the cooperation agreement signed on 2 April in Belgrade. This seems to me to be a really important event. At the same time the provisional protocols bringing the trade and financial agreements into force from 1 July 1980 onwards were also signed. This is the culmination of a long and intense campaign on the part of this Parliament. I see amongst you Mr Bettiza, who spoke on these topics so many times, as did so many other Members of the House. Now we must proceed to apply this agreement with the will to ensure that the present imbalances in our economic and financial relations with Yugoslavia may, by means of this new instrument, be normalized or at least given a better balance. We have prepared the ground for cooperation agriculture and industry, in energy, in science, in technology, tourism, transport, the environment, ecology and fisheries. We have also looked at problems in the labour market. But the important thing is that, in this particularly delicate region which may be of particular interest to one of the Member States of the Community — in this case Italy, because of its contiguity and its close relations with Yugoslavia — but which is ultimately of interest to the whole of Europe and to the whole of the Mediterranean world, we have created an atmosphere of permanent and constructive dialogue.

We must try to use this instrument so that it will have repercussions in the political field, and I welcome the discussion which Parliament is to have today on these topics, because relations between the Community and Yugoslavia are part of the broader picture of political cooperation. At a time when, elsewhere, we are facing so many crises, this seems to me one positive aspect: a permanent dialogue, an exchange and a continuous economic and political relationship with a country which has its own different structure, but with which, because of its position and its development potential, we must maintain the closest relationship possible.

*(Applause)*

**President.** — I call Mr Jackson.

**Mr Robert Jackson.** — Well, Mr President, it is very hard to follow immediately after the very statesman-like speech from the President of the Council emphasizing the extent to which there is agreement upon the need to make progress in defining Europe's identity in the increasingly difficult and dangerous situation in which the whole of the West, and Europe, finds itself.

What I would like to do in the very few minutes I have at my disposal is to address myself to a much more limited subject, an aspect of the wider question of Europe's identity, namely the role of the European Parliament, particularly in this budgetary matter which is at the heart and centre of the internal problems that at present exist within the Community.

I would like to draw attention to three facts, three very simple and rather elementary facts.

First, in December 1979 the European Parliament rejected the 1980 draft budget. We rejected it because we wanted to see a reform in the structure of the budget. In particular we felt that too much was going to the agricultural sector and too little to the development of new policies for the Community in other sectors of activity. The amount proposed in the 1980 draft budget which we rejected for the agricultural sector was 11 200 million units of account. Just put that figure in your memories — 11 200 million units of account which we rejected as being too much.

Now the second fact. In February 1980, a couple of months ago, the Commission came forward with new proposals for a 1980 draft budget to replace the one we had rejected. We welcomed the Commission's proposals at that time because the amount that was proposed for spending on agriculture was 10 400 million units of account. That is the second figure to bear in mind.

Of course, many of us felt that this was still too much. Many of us noted the continuous tendency for agricultural spending to drift up and up in the course of the year. Nevertheless we welcomed the fact that for the first time since the beginning of the policy, there was a fall in the proportion of the budget to be taken by agriculture to about 70 % of the whole.

Now where do we find ourselves today? This is where I come to the third fact that I want to mention, a fact that is implicit in the draft resolution we will be voting on later tomorrow, Mr Dankert's draft resolution.

What Mr Dankert is inviting the Parliament to do is to endorse new agricultural proposals which do not include the superlevy and which are based on the concept of a 5 % price settlement which would create a total expenditure on agriculture of at least 11 500 million units of account, to which of course we must add the upward drift that I have already referred to.

This means that Parliament is being invited to welcome an increase in expenditure on agriculture which is actually larger than the amount we rejected at the end of last year. Furthermore, if you study the resolution you will see that it actually suggests that we should proceed with agriculture on that basis, without actually solving the British problem at the same time.

This would mean that the proportion of the budget being spent on agriculture would actually rise, probably to about 80 % of the total. In other words, Parliament is being invited to reverse its position from December 1979, from the rejection of the last budget. I think, Mr President, that this shows inconsistency and incoherence in our position. It is bad for the European Parliament and it is bad for Europe.

What we want to do to further the cause of European identity about which the President of the Council has been so eloquent, is to ensure that Parliament speaks consistently and coherently in its contribution to the formation of that European identity.

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

**Mr Colla.** — (NL) Mr President, I realize that I am going to be told that the Council is always represented here, but frankly I do think it is an affront to the Members who have still to speak and to Parliament as a whole when the person who introduced this debate does not stay to listen to all the speakers and to give a reply at the end. I cannot imagine that Mr Colombo behaves in this way in his own parliament, Mr President, and I should like to add that I shall be proposing on behalf of the Council.

*(Applause from various quarters on the left)*

**President.** — Mr Colla, the same problem has already been raised by Mrs Macciocchi. The Presidency is formally and tangibly represented here in the person of Mr Zamberletti. It is true that Mr Colombo will not have replied to everyone who is down to speak. He expressed an opinion, and I am sure that Mr Zamberletti will take note of the speeches to come and reply on behalf of the Council.

I call Mrs Van den Heuvel on a point of order.

**Mrs Van den Heuvel.** — (NL) Mr President, I second what Mr Colla said and also want to say that I had expected the Chair to have enough regard for the Members of this Parliament to protest against the departure of Mr Colombo.

**President.** — I call Mr Delatte.

**Mr Delatte.** — (*F*) Mr President, ladies and gentlemen, it is my duty, after the speeches we have heard from my colleagues Mr Visentini and Mr Nord to touch briefly on the problems of the Common Agricultural Policy.

I have so often had to disagree with Mr Dankert that I cannot justifiably hesitate today in supporting the motion for a resolution which he is tabling. What I should do, but I have not the time, is reiterate just how important the Common Agricultural Policy is and how fundamental it is for the building of Europe.

During the last debate on farm prices, I made it very clear that the level of prices within Europe was not a handicap, either for our exports or for our ability to compete in world markets. Let me say once again that the Common Agricultural Policy is an instrument able to bring out the best in our agriculture.

But the defence of the Common Agricultural Policy must today give way to another worrying question the extreme urgency of which must be clearly stated: Europe's farmers, ladies and gentlemen, still do not know at this time what will be the level of farm prices in 1980. I must ask each of you to think of any other social or socio-professional group which would accept such a situation without doing something about it.

The situation is utterly unacceptable and is even more serious since common farm prices are fixed for the whole year, since the fixing of prices could not possibly be postponed this year because over the last few marketing years farm incomes have dropped, and since the financial situation of many farmers in all European countries without exception, in all the sectors of production and in all regions is getting considerably worse, in some cases even critical.

This all goes to show, ladies and gentlemen, that we should adopt the 1980 budget as soon as possible, but a budget which includes provisions to make it possible to raise farmers' incomes considerably in accordance with the compromise reached in Luxembourg. Let us not forget that our farmers were at the outset amongst the most fervent supporters of the building of Europe. Let us beware lest they lose confidence in Europe.

I shall conclude my short speech by referring to the opportunity which the European Parliament now has to show that political determination which is so sorely lacking in Europe today. Let us grasp this opportunity, let us not miss this chance to demonstrate that Europe can and must overcome this crisis, that farm incomes are at the moment top priority and lastly that the will of the people expressed through the European Parliament demands of those in authority that this European venture should continue.

IN THE CHAIR: MR PFLIMLIN

*Vice-President*

**President.** — I call Mr Colla.

**Mr Colla.** — (*NL*) Mr President, ladies and gentlemen, I must say that, in view of the point of order I brought up just now, there seems to be little point in my taking the floor now, but nonetheless I shall do so out of respect for this House and its Members and for the agenda. First of all, I should like to express some doubts regarding the cautious optimism the Council showed this morning, and also last week in the Committee on Budgets, towards the budget problem. I think it was essential for the Committee on Budgets to present a motion for a resolution on the 1980 budget to this House, and that is in fact what it has done. I fully support the aims of the budget as expressed in the resolution. If the Community should indeed not manage to approve a budget before the summer recess, then it will be threatened with bankruptcy and the farmers, for instance, will literally and figuratively be left out in the cold. Then there will be no more room for illusions about implementing a structural policy in a number of sectors. In other words, we need a budget in July, preferably accompanied by an agreed solution to the problems of farm prices and the British contribution to the budget, but if this should prove impossible, then the draft budget should simply leave these matters in abeyance.

The reasons why I shall be supporting this motion for a resolution are firstly, because I do not want to be a party to the Community declaring itself bankrupt, and secondly, because I am convinced that using the supplementary budget procedure will not harm Parliament's political will and rights. It would be entirely wrong to think that this proposal represents a climb-down by the European Parliament, or that Parliament was wrong to reject the 1980 budget. Any such idea is wide of the mark; the fact is that it is the Council which is currently at fault.

It follows, Mr President, that criticism can and must be expressed as to the form in which the Committee on Budgets has sought to explain its motion for a resolution. It seems to me that the committee has paid much too much attention to producing an elegant text with too little bite which is too much open to being interpreted however one wishes. This applies particularly to paragraph 5 of the motion, which I personally think is unfortunately worded because it refers to the Luxembourg meeting.

In my opinion, it is important for us to make the point that Parliament is not at the moment passing a judgement on the compromise or the Commission's so-called Luxembourg compromise proposal, and that



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we still want to see price rises in the agricultural sector bear some relation to measures to tackle the problem of surpluses. I must just add that I was dumbfounded at last week's meeting of the Committee on Budgets when the only answer I received to the question why the final solution should be an average 5 % price rise was that that any compromise would have to be somewhere between 2.4 and 7.9 %. That seems to me a bit like parish-pump politics at European level, with figures being juggled around and Parliament being deprived of the opportunity to hear the real arguments. The figure could have been 4 % or 6 %, and I would have accepted it, provided serious criteria had been applied, such as the need in stages to make good the shortfalls in farm incomes. It should surely be possible to conduct politics seriously at European level, unlike what has clearly happened in this case. The Council should not make the mistake, moreover, of assuming that the debate on agricultural prices and the British contribution to the budget means that Parliament's demands regarding social, regional and industrial policy and the budgetization of loans can simply be swept under the carpet.

The second point I want to make with regard to the form of the motion concerns paragraph 11, which refers to the possibility of legal action by the European Parliament. I must say that I find this too weak a formulation. They are of little importance; a few strong words uttered in this Chamber, as today's events clearly show. Secondly, we must bear in mind that the public expects something concrete from its directly elected representatives.

That being so, Parliament must take some definite action, and if we fail to invoke Article 175 of the Treaty at a time when the continued existence of the Community is in jeopardy, I just wonder when we shall ever get round to doing so, and what the Council must fail to do before we have recourse to the legal measures available to us under the Treaty.

I am under no illusion myself; if there is no majority at the moment for my views, I shall go along with the motion for a resolution as tabled by the Committee on Budgets. Let me add for the benefit of the Council that it must in any case bear in mind that there are already people in this House who are in favour of either invoking Article 175 or drawing up a budget independently. Let me say quite calmly and clearly that a Parliament which has any self-respect must be prepared to accept its responsibilities and regard the fact of being directly elected as reason enough to obtain powers for itself if necessary.

I have one more remark to make on the results of the European Summit. I find it disconcerting how blithely support was given to the development of nuclear energy. It is almost incredible. The Dutch text says in so many words that thought is being given to alternative energy sources, especially coal and nuclear energy. Nuclear energy as a form of alternative energy —

what a joke! Finally, it is no less of an insult to this Parliament that, despite the Rey Report, no reference whatsoever was made to the possibility of consulting Parliament on the appointment of the new Commission and the new President of the Commission. To conclude, Mr President, as the saying goes, those who will not listen must learn the hard way. Council, please note.

**President.** — I call Mr Ligios.

**Mr Ligios.** — (I) Mr President, ladies and gentlemen, during recent months we have all watched with some apprehension as a number of serious problems have accumulated. The European Council met, in Luxembourg on April 27 and 28. The British contribution to the budget, agricultural prices and an agreement on sheep-meat, the common fisheries policy, etc. were the problems which the Heads of State were supposed to tackle and solve in the space of the two and a half-days which they had at their disposal. We also had the impression that the Council of Ministers, in its various forms, was evading its obligations to assume full responsibility — thereby guaranteeing the proper functioning of the Community functions — and preferred to pass the problems on to the European Council with an alacrity which I found distinctly disconcerting. This is the wrong way to run our institutions. The decision taking process must be brought back into the framework of the institutions and Community practice, reserving for the European Council the role of providing a broader political stimulus a role which is peculiar to it and which is its sole *raison d'être*.

The Council of Ministers must therefore take those decisions for which it is competent without unloading them onto other bodies, making use, where necessary, of the qualified majority vote provided for in order to prevent a single Member State from blocking, by its veto, the workings of the entire Community, as is unfortunately happening at this moment. This is not to underestimate the political difficulties which undoubtedly exist, and which have been enumerated by the President of the Council. Nor is it to ignore the efforts of those who have shown an unparalleled spirit of mediation. But it does mean voicing the conviction that beyond a certain point mediation is no longer possible and that it risks paralyzing the Community and destroying what little unity we have laboured to construct during the last three decades.

Apart from the European Council, I am alluding in particular to the Council of Agricultural Ministers. In the light of the experience which we are accumulating in this Parliament of ours, we ought perhaps to look more closely at the role which the Council of Agricultural Ministers plays in the complex arena of Community affairs. The Agricultural Ministers in the respective Member States maintain, perhaps somewhat too

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insistently that only their decisions have an immediate and direct effect on the incomes of a significant proportion of the Community population. This is true, Mr President, but the greatest psychological effect exercised on public opinion is that created by the interminable verbal marathons and bickering on the occasion of the annual fixing of agricultural prices, the most obvious result of which is not to make available a greater quantity of food products at the right price, but rather to produce surpluses which must be sold off cheaply on the extra-Community market or destroyed by bulldozers. Of course, this is a false view of the situation, given to the public through sketchy, hostile and often confused newspaper reports. But nevertheless there is a reality behind this picture which merits greater consideration by all of us, if we wish the public image of the Community to become not only more present, but also clearer.

Agricultural prices have a significant effect on all sectors of economic and social life in the Community. By this, ladies and gentlemen, I mean that it seems to me rather inappropriate to continue to isolate the negotiations on agricultural prices and leave them totally in the hands of the agricultural ministers, just as war is said to be far too serious to be left to the generals. Agricultural prices have a significant effect on all sectors of economic and social life in the Community because of their repercussions on investments, on the utilization of the land on the development of the food processing industry etc. This is why I maintain that the agricultural price negotiations should be brought more firmly into the broader political framework of the general objectives of Community policies.

Mr President, in conclusion I wish to reaffirm my firm belief in the notion that I expressed at the beginning of this very brief speech. It happens far too often already that the Council of Ministers evades the responsibilities which are incumbent upon it as a result of the Treaty. This is true above all of the Council of Agricultural Ministers, which lacked the courage to transform into a Community price agreement the compromise achieved at Luxembourg amongst eight of the Member States on the evening of 27 April. Today we have been informed that one country intends to proceed along this road unilaterally. This will harm the Community. I believe that the eight countries which reached agreement on 27 April should all have taken this step. This compromise does not contain any serious measure intended to halt the increase in surpluses, particularly in the dairy sector, the cost of which is the root cause of the growing imbalances in the agricultural sector and the already imminent exhaustion of the own resources we have at our disposal. In other words, this is a compromise of which we do not think very much, but it must be implemented immediately if we are to prevent the total paralysis of the Community and forestall the social unrest which we can all see accumulating threateningly on the horizon of the Community agricultural policy.

**President.** — I call Mr Galland.

**Mr Galland.** — (F) Mr President, I am speaking on behalf of the Liberal and Democratic Group about one of the difficulties encountered in Luxembourg, i.e. the British share in the European budget. In this matter I shoulder two burdens, the first is that I am a European and the second is that I am uncompromising, and I shall not tire of repeating the same things.

One point should be made at the outset: Mr Colombo, President-in-Office of the Council, has such a wide knowledge of the structure of the Community and its difficulties that he should not allow Dublin and Luxembourg to happen again. In Venice, on 11 and 12 June, the Council meeting will have to have been prepared differently. It is up to the Foreign Ministers or Finance Ministers to seek and find at their own level a solution to the problem of the British contribution! That is their job. We should no longer permit the Heads of State and Government to engage in such an incredible game of poker, trading hundreds of millions of units of account more or less off the cuff in a few minutes. When deadlock is reached, it is Europe each time which is the loser. Yes, Mr President, in Venice the Heads of State and Government should merely confirm agreements which have been reached at previous meetings at a different level. Any new failure would spell disaster.

As for the basis of the question of the British contribution, I shall stubbornly maintain the same arguments as before. I say 'yes' to solidarity, but solidarity in a Community spirit. I say 'no' to the notion of *juste retour*, which would transform the Community into a mere free trade area. I say 'no' to any suggestion that a loophole might be found in the principle of own revenue and resources, a principle which must be strictly observed. What solutions are there then? The British must ceaselessly work towards carrying out, as do the other countries of the Community, 70 % of their industrial and commercial trade with the Community. At present they have reached 40 %, and this figure is a considerable improvement, since when they joined the Community this figure was only 28 %. Once they reach 70 %, they will save 500 million units of account in customs duties.

We should also like a portion of the compensation decided upon to be allocated through the Regional Fund or the Economic and Social Development Fund to specific British projects which are of interest to the Community as a whole. In this respect, I have already suggested the reinclusion of various projects which would be suitable but which were dropped in the initial budget.

I shall conclude, Mr President, by saying that for the Liberal and Democratic Group, solidarity was stretched to its limit in Luxembourg: 1 250 million units of account for 1980 and 1981, i.e. keeping down

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the British deficit for these two years to its 1979 level. There are few amongst us on all sides of this House, ladies and gentlemen, who could have suspected before the Luxembourg summit that the spirit of solidarity would be so dazzlingly displayed. The British Government to everyone's surprise, said 'no'. I think it is time we knew why. Possibly the time limit might be rearranged in some way. I do not know. Of course, this would have its effect on the amounts proposed: the longer the period of time the smaller the amounts. But the competent Ministers must meet soon in order to discuss a definite agenda and reach a solution before the Venice Summit. In this way, our Community will get its second wind and turn its face once more towards the future.

**President.** — I call Mrs Macciocchi.

**Mrs Macchiocchi.** — (*I*) Mr President, in the first part of this speech I want to make a point of order relating to this afternoon's discussion. I want to protest in the strongest terms against the behaviour of Mr Colombo, President-in-office of the Council of Ministers, who walked out of the debate half-way through. Never before have I seen so much contempt for us Members of the European Parliament as on this occasion.

It has been rightly pointed out that Mr Colombo, were he in a national parliament, would not have been allowed to leave before half of the speakers had put their questions to him. I consider that the excuse given, namely that there was in any case someone present to represent the Council, is not politically valid.

Mr President, I ask that the urgent request for debate that has been drawn up by some of us should be transmitted to Mrs Veil who should make a modicum of effort to defend this Parliament. I should like to add that I am quite amazed by the Olympian calm with which Mr Colombo reacted to my request that he should explain why on earth he was about to leave when there were still ten persons waiting to put questions to him; I am equally amazed by the courteous tones of your reply and the reply of the President in Office asking me to calm down — I notice we are always the ones who get over excited, we are always the villains — since the President is supposed to have the right to interrupt speakers in order to provide supplementary explanations. Some speakers fell ingeniously into this trap without knowing that at the very same moment the President was running an Olympian obstacle course to win the other gold medal. The first was won by President Giscard's making a bee line for Warsaw and there can be no doubt that Mr Colombo wants to win the other for himself. I am not sure where he's rushing to, but since, judging by what he has told us, he is desperately struggling to defend peace and the survival of humanity, he too must also be aiming in this direction.

Mr President, I should really like to ask you to inform Mrs Veil, for whom, along with many of my colleagues, I have a high regard, that some of us are thoroughly tired of these attitudes. There is no point in being a member of the European Parliament if we are obliged to stay here and submit to a kind of voluntary slavery. We have been called the Europe of sheep because we discuss sheep, but sometimes I wonder whether our existence is not in any case a sheep like existence, because all we do is sit here and wait and what happens afterwards is quite pointless. We feel the same sense of humiliation over the question of the budget because these problems are interconnected. Let's put an end to this budget, business. We are all fully aware that the European political powers that be wish to humiliate this Parliament; they want to wear us down they want things to reach the point where we tell them to do whatever they like to arrive at a solution. This problem has been raised by one or two speakers, with whom I find myself in complete agreement, just as I am in agreement with a great deal of what Mr Dankert said.

Mr Colombo tells us that he has discussed these matters at recent meetings (what fascinating trips around Europe — first Luxembourg, then Naples and next our distinguished ministers will be meeting in some other European city) and that he has applied all the pressure possible to see that the budget is submitted to us by June.

The heart of the matter is that the non submission of this budget should be seen by us as the ultimate act of aggression against this Parliament. Let me tell you, ladies and gentlemen, that if we really are Europeans and if we really have been elected by European citizens we must take some initiative! We cannot continue to put up with being treated in the way we are systematically being treated. It is easy to forecast that we are now entering a stage in which these consequences could be very serious for the weaker countries.

Let us go over the events of this year. We tabled a motion to say that we opposed the Moscow Olympic games: the result was headlines and comments in the newspapers, after which everything was completely ignored — all part of the constant sabotage that is used against us. We asked some extremely serious questions on Afghanistan and, once again, we were told in reply that these questions would be acted upon. Now, in the report we have received from Mr Colombo, we see that the question of Iran and the American hostages in Iran is put at the top of the list, with the afterthought that 'of course what is happening and has happened in Afghanistan is by no means negligible'. We have been dealing for some months with a question which ought seriously to perturb everyone, we have arrived at the point where 800 000 Afghan refugees have fled over the frontier; these people are fighting with their bare hands against the most powerful army in the world, which has invaded their country and is attempting to crush and extermi-

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nate them and we, once again, faced with all this, reply with the Olympian calm of Mr Decombe. But in that case what is the point of tabling motions, resolutions, documents, which we do nothing more than vote for, illustrate, and then disclose at press conferences for the benefit of public opinion? If, therefore, the political powers-that-be are so barefacedly disrespectful of this Parliament, I maintain that we cannot continue to live in such a state of humiliation and degradation. Here I should also like to make a reference to the fact that some Soviet dissidents came here yesterday and set out before you all a problem which they also expounded to the left wing elements in this Parliament, to the Communists and the Socialists, maintaining that Afghanistan is a kind of prolongation of the Gulag. What is our reply to this question, what do we say? Our answer is that the sportsmen on the International Olympics Committee will decide everything. At this point I wonder who it is that politicizes sport or — the ultimate joke — whether politics is not perhaps itself a sport. That is the problem.

*(The President urges the speaker to conclude)*

Mr President, I began this speech by saying that part of it would be a point of order. Now I come to the second part and I say: first, that by June the budget must be submitted in an opinion and that we shall come to an agreement with other members of this Parliament to see that Parliament shows some reaction to the contempt for it that has been shown by the executive; secondly, I want to say that we propose to vote for Mr Dankert's motion. I should however like to add that until the budget has been submitted to us we must fight against the technical alibi that is constantly being fed to us, which says that nothing can be done because we are operating on the basis of a system of provisional twelfths. I insist on this fact because, for example, there is the Madrid conference which the Political Affairs Committee prepared when Mr Colombo was President. Now this conference must take place on 24 and 25 June, because three months of work cannot be thrown away because of technical arguments that many of us refuse to consider justified. And then there is the trip to Cambodia.

In conclusion I want to say that in June the Council must submit this budget to us and I should further like to add, addressing myself here directly to Mr Colombo, President-in-Office of this Council of Ministers...

*(the speaker is interrupted by the President)*

... that I am now, Mr President, about to leave this chamber and I ask everyone who is in agreement with me in wishing to show Mr Colombo that this is not the way to do things, to get up and to leave the chamber just as we are leaving the chamber.

**President.** — I call Mr Habsburg.

**Mr Habsburg.** — *(D)* Mr President, the events of the last few weeks have once again brought out only too clearly the difference between the weak-kneed attitude of governments and the will of the people. What we get to hear from government agencies are words which bear precious little relation to deeds. The Luxembourg Communiqué had nothing new to say about Afghanistan. It simply repeated the verbal condemnation which will certainly not cause Brezhnev any sleepless nights. Mere words are unlikely to rid him of his hegemonistic ambitions. Words without deeds are an open invitation to highwaymen, but it is even more serious if deeds convey precisely the opposite message to words. That will be the case if European countries decide to send their athletes to take part in Olympic Games in a country engaged in an act of war. They are thus fully submitting to the soviet Union's will as regards the divisibility of *détente*, without even waiting a decent six months before shaking the bloody hand of the tyrant. One is unfortunately bound to say that the decision of the French President to visit Brezhnev — and to do so on the Warsaw Pact's home ground — and to concede him such an enormous prestige victory without getting anything back himself has damaged our credibility and will bring us nothing, because if all you are concerned about is an exchange of information, Heads of State certainly do not need to go rushing off hundreds of miles to do that.

The same kind of thing applies in principle to Chancellor Schmidt's forthcoming visit to Moscow, although I must add for the sake of fairness that our own attitude as regards the question of security as was brought out in yesterday's debate is not much better, although the responsibility clearly lies with one group and one only.

Again, on Iran we had plenty of fine words, although the sanctions we were talking about are practically irrelevant and were undermined by at least one Member State only a matter of hours after the Naples meeting. It would almost have been better to have said nothing at all. If the hostages in Iran had to rely on the heroism and valour of European governments, they could dismiss all hope of ever getting home again.

In conclusion, we can only agree with the leader-writer in a major German newspaper, the *Münchener Merkur* who wrote on 19 May that the decision represented the smallest common denominator in terms of embarrassing indecisiveness and pussyfooting. That is the position we representatives of the European people now find ourselves in. It shows the current structures run by national Governments to be incapable of action. The convention of unanimity in the Council is paralysing the work of the Council at precisely the time we most need flexibility. The national governments are not capable at the moment of pursuing a European policy, but if we want to keep

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the peace, what we need is a European global policy. It is up to us to speak and act as the conscience of Europe. If we at last get round to doing so, we may yet be able to overcome the crisis in Europe.

**President.** — I call Mr Fich.

**Mr Fich.** — (DK) Mr President, in this debate, the Committee on Budgets has requested that the Council of Ministers should straight away submit a new draft budget for 1980, and this is something which we can naturally go along with. However, we may well have serious doubts regarding the methods proposed by the Committee on Budgets which, while it has frequently spoken of a dialogue with the Council of Ministers, is at the same time threatening legal action. It seems to me that it has a somewhat aggressive form of dialogue in mind. Legal measures are of course technically in order, but just what are they trying to achieve — a ruling by the Court of Justice? Do they want to wait till 1983 for a ruling on a matter affecting the budget for 1980 which will have to be settled by September 1980 anyway? This strikes me as a little naïve.

I do not think that the Council of Ministers will let itself be browbeaten into adopting a new draft budget immediately because of a resolution of this kind. I think if the necessary political resolve is really there, we will be presented with a draft budget without all these complicated procedures. On the other hand, if we are not presented with a new draft budget, I will naturally assume this to be an indication of a serious loss of interest in Community cooperation on the part of the Member States. The reason why I nevertheless support the motion for a resolution by the Committee on Budgets is not that I particularly like it but rather that I want to avoid what other people in this assembly appear to me to have in mind, which would be even worse.

I should like now to consider the question of nuclear energy. I have read with interest the document from the Luxembourg meeting which states that the European Council has invited the Council to take up the question of alternative energy sources, particularly coal and nuclear energy. Apart from the fact that nuclear energy is not an alternative energy source, I should like to point out that this might give rise to a misunderstanding. It must be quite clear that at least one government, that of Denmark, has not accepted nuclear energy and that statements of this kind which can be mis-interpreted in this way should not be made.

In the light of this, I listened with interest to what Mr Colombo had to say on this point, and I was rather surprised when he used a somewhat evasive turn of phrase which again could give rise to a misunderstanding on this point. It must be quite clear to everyone, including Mr Colombo, that no joint decision by the Nine has been reached on the question of nuclear

energy and I think Mr Colombo should have the courage of his own convictions. It is not enough to have the political courage to bring up a point, one should also to say quite clearly what is involved, and it would have been to Mr Colombo's credit if he had spoken clearly about the problems in this field.

**President.** — I call Mr Zamberletti.

**Mr Zamberletti, President-in-Office of the Council.** — (I) Mr President, for obvious reasons I do not wish to enter into the details of the incident that took place after Mr Colombo left this chamber. I merely wish to reassure those members of this House who have spoken during the debate that the President of the Council is present and not merely 'represented'. Consequently, all the remarks that have been made, all the precise details that have been given and all the topics that have been raised as a result of Mr Colombo's report will be duly noted by the President and will be given serious attention. In this way the Italian Presidency, in the final part of its period in office, intends to make every effort to see that a sincere European spirit is adopted in tackling the problem of the budget on the one hand, and on the other hand, the enormous problems of political cooperation which have been abundantly emphasized amid much concern, a concern for the need for a Europe capable of playing not an antagonistic role, but capable of carrying out an organic coordination of European unity with a profound sense of responsibility, so that at this difficult time in the history of the world Europe may not be absent from the scene and may be capable of living up to its high responsibilities.

At this point, Mr President, I shall conclude my comments because I too wish to contribute to the ordered work of Parliament, which, at 5.30 in the evening, is given over to Question Time. I think the proper functioning of these institutions should also involve respecting the timetable for Parliamentary work.

**President.** — Since it is high time we passed on to Question Time, the rest of the debate will be adjourned until tomorrow. The same goes for the Radoux Report.

I call Mr Radoux.

**Mr Radoux.** — (F) When you say tomorrow, Mr President, do you mean tomorrow morning or some other time during the day? Only the morning is suitable for me.

**President.** — I am very sorry that I cannot give you a precise answer, Mr Radoux. Your report will be called tomorrow after the other items which have been deferred since Tuesday.

## 11. Question Time

**President.** — The next item is the second part of Question Time (Doc. 1-163/80).

We begin with the questions to the Council.

I call Question No 40, by Mrs Chouraqui (H-416/79):

Insofar as European exchange mechanisms are still closely linked to the fluctuations of the dollar does the Council plan to take the initiative in proposing a reform of the international monetary system, bearing in mind that the main currencies involved in the world monetary system could now be guaranteed by substantially revalued gold holdings?

**Mr Zamberletti, President-in-Office of the Council.** — (I) The Community has on more than one occasion demonstrated the importance which it attaches to the smooth running of the international monetary system and has always actively contributed to the process of reform of the system over the years. The various problems which have arisen — and are still occurring — in this area are being thoroughly examined by the Council's bodies, the Monetary Committee and the Committee of the Governors of the Central Banks of the Community, and the Council regularly prepares the Community's common position on issues under discussion by the IMF.

Finally, it should be noted that in deciding to introduce the European Monetary System, the Community wanted to bring greater stability not only to exchange rate relationships between Member States but also to the international monetary system as a whole.

**Mrs Chouraqui.** — (F) What exactly is the position of the Council and the governors of the central banks concerning the attitude we should adopt in the light of the revaluing of gold, and should we regard the use of gold as the standard for the international monetary system as definitely a thing of the past?

**Mr Zamberletti.** — (I) The position of gold within the European Monetary System is as follows: deposits in gold and dollars take the form of swaps against ECUs renewable on a quarterly basis. For the purposes of the transactions which these swaps involve, the value of the deposits in gold is taken as the average of the rates converted into ECUs registered on a daily basis in the two London fixings over a period of six calendar months during which the average of the two fixing rates registered on the last but one working day of the period is not exceeded. As you see, the decision that the EMF should hold deposits amounting to 20 % of the gold reserves, and the definition applied to deposits in gold and dollars, at present determine the

position of the Community regarding the problem of gold.

**Mr Purvis.** — Would the President-in-Office of the Council welcome a firm timetable with deadlines binding on the Member States and culminating in the total abolition of all foreign exchange controls on movements of funds both inward and outward amongst the Member States? And would he agree that this is an essential element in working towards European Monetary Union and a free and fair competitive market in the Community?

**Mr Zamberletti.** — (I) The Treaty contains provisions governing the movement of capital. The view expressed by the honourable Member is, however, interesting.

**Mr Bonaccini.** — (I) I am sure the President-in-Office is aware that the European Monetary System is to be fully operative by 31 March 1981, by which date the appropriate agreements — as laid down in the agreement setting up the European Monetary System — with the dollar area should also have been concluded. Can you give me an assurance that this will be the case?

**Mr Zamberletti.** — (I) Work is proceeding within the Monetary Committee, and the Presidency is doing all it can to speed things up, but I am not yet in a position to predict how the work will progress.

**President.** — I call Question No 41, by Mrs Krouwel-Vlam (H-33/80)

In the light of its Answer to Written Question No 743/79<sup>1</sup> which it noted that, by definition, an age limit reduces the chances of beginning a career later in life and the fact that this particularly applies to women, does the Council not agree that such limits are in breach of the provisions of Directive 76/207/EEC<sup>2</sup> concerning equal treatment for men and women, whereas the Community in particular should be setting a good example in its own institutions?

**Mr Zamberletti, President-in-Office of the Council.** — (I) The conditions for admission to an open competition apply equally to male and female candidates. As regards the General Secretariat of the Council, the age limit is fixed on the basis of the length of professional experience required and the nature of the posts to be filled. As a rule, the General Secretariat of the Council recruits at the basic career grade, which means that only relatively young people will be interested. This is why the General Secretariat of the

<sup>1</sup> OJ No C 49 of 27 February 1980, p. 15.

<sup>2</sup> OJ No L 39 of 14 February 1976, p. 40.

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Council, like all the institutions, fixes age limits for admission to competitions, as explained in the reply to Written Question No 743/79.

The Council does not feel that this practice constitutes discrimination between men and women.

**Mrs Krouwel-Vlam.** — (NL) Can the representative of the Council assure us that there is no truth in the rumours to the effect that the age limit for female candidates is to be lowered still further? In order to increase the opportunities for female candidates in particular the age limits for applications should be abolished. Could the Council initiate the procedure necessary for amending the Staff Regulations?

**Mr Zamberletti.** — (I) As far as the Council is concerned, this rumour is unfounded; therefore, if anything it is a question of finding out the views of the Commission departments on this matter. As far as the Council is concerned, however, I can only repeat that this rumour is unfounded.

**Mrs Van den Heuvel.** — (NL) Does the President-in-Office of the Council agree that, if you have two horses running in a race and you give one a hefty thump in one of its back legs, you can no longer talk of equal chances? This is a comparison which is entirely appropriate as regards the position of women on the labour market. I should like to ask once more whether or not the President of the Council, in view of this comparison, which I think is perfectly clear, prepared to take steps to have the Staff Regulations of all the Community institutions revised on that point?

**Mr Zamberletti.** — (I) I should like to give the honourable Member some details regarding the age limits for recruitment to the Council and Parliament so that she will realize that the Council is relatively more accessible to persons wishing to start a career later in life. I say relatively, because the age limits in question are still very low.

For category A, Parliament's age limit is 33 years as against the Council's 35; in the case of Category LA, Parliament's limit is 35 and the Council's 40; for category B, Parliament has an age limit of 36 compared with the Council's 35; for category C, Parliament's age limit is 36 as against the Council's 40. Thus, as regards a comparison between Parliament's system of recruitment and that of the Council, the Council would appear readier to raise the age limits.

However, Mrs van den Heuvel, let me give you my personal views on this matter. I personally feel that you are right.

**Miss Roberts.** — I was glad to hear the final words of the President-in-Office indicating that the questioner

was right in his personal opinion, because until I heard those words I intended to be somewhat unpleasant in my supplementary question. I am bound to say that I do not consider that the Council has an open mind on the subject of age limits. They seem to have a closed mind and have not addressed themselves to the fundamental problem underlying this question, which is that if you have an upper age limit which debars women who may well have spent a considerable part of their lives bringing up their families and are now at home and want to take up a career after their families are old enough to enable them to do this, this upper age limit severely inhibits that possibility and must therefore be discriminatory against women.

**Mr Zamberletti.** — (I) I should like to say first of all that modification of the Staff Regulations requires a proposal from the Commission and consultations, and the Council has as yet received no such proposal from the Commission. Furthermore, I should like to make myself clear so as not to place the responsibility for the final statement in my previous reply on the Council, which I represent; I said that, in a personal capacity, I share the views behind the question since, in fact, this is not exclusively a question of equality in opportunities for men and women. It is more a question of taking account of the various obstacles which may be encountered at certain times of life and which it is unfair to disregard. This is a general problem which we must bear in mind. I repeat that this is only my personal view, but I think the President of the Council can also occasionally be allowed to express his personal opinions.

**President.** — I call Question No 42, by Mr De Pasquale (H-79/80):

Can the Council state whether negotiations are currently taking place between the EEC and Tunisia, Libya and Malta with a view to concluding agreements on fishing in the Mediterranean. If so, what progress has been made? Certain Members and officials of the Commission (Cheysson, Davignon, Villain) have made frequent trips to Tunisia. Have they managed to bring the negotiation of an agreement with that country nearer to completion?

It has been reported that during the last meeting of the Council of Fisheries Ministers (on 9 January 1980) Commissioner Gundelach commented on the progress of these negotiations. Can the Council provide Parliament with information on this matter?

**Mr Zamberletti, President-in-Office of the Council.** — (I) On 5 February 1979 the Council adopted a Decision concerning supplementary directives for the Commission to negotiate a fisheries agreement with Tunisia. Since the adoption of the said Decision, the Council has taken note on several occasions of reports from Vice-President Gundelach concerning progress towards the negotiations of a framework agreement on fisheries with Tunisia. The Commission has not yet recommended, and the Council has not adopted,

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directives for the negotiation of fisheries agreements with Libya and Malta.

**Mr De Pasquale.** — (I) This is the fourth question I have tabled on this point, and I have received four different answers. I will continue, if only for the pleasure of completing my collection of examples of the consistency of the Commission and the Council. They have never been prepared to give a clear answer as to whether proposals had been made to Tunisia, Libya and Malta, what was the nature of any such proposals and what replies had been received.

I should like to put a supplementary question to the President of the Council. The cooperation agreements with the Maghreb countries are currently being renegotiated. Is the question of fisheries one of the points being discussed in this context, and, if so, in what terms? If it is not being discussed, how is it intended to solve this major problem?

**Mr Zamberletti.** — (I) The terms of the agreement are not being renegotiated but re-examined. The problem of fisheries must be given individual attention in the light of the fact that, although it may be true that the fisheries agreement concluded with Tunisia guaranteed traditional fishing rights for Italian fishermen in Tunisian waters, it is also true that it expired on 19 June 1979. Since then the Commission has had intensive contacts with the Tunisian authorities. I must point out, however, that in spite of the Commitment with the Presidency of the Council in following the contacts initiated by the Commission, so far the two parties have not gone beyond exploratory talks. I might also add that Tunisia has not declared itself to be in favour of negotiations proper with the Community until it has scientifically determined the extent of the fish resources in its waters.

I would point out to Mr De Pasquale that this problem of fishing in the Mediterranean is complex one which calls for responses which are flexible and adaptable in terms of cooperation. I think, however, that Tunisia's request to determine first of all the extent of its fish resources is, all in all, legitimate.

**President.** — I call Question No 43, by Ms Clwyd (H-90/80):

In view of the grave problem of youth unemployment throughout the European Community and the expressed purpose of the European Social Fund to help alleviate that problem through its (Article 4) aid to promote the employment and training of young people, will the Council confirm that it is satisfied that the list of priority regions for the application of Article 4, Aids to Young People (the Youth Map), is an accurate indicator of need and respect of youth unemployment and an effective basis for the allocation of aid?

**Mr Zamberletti, President-in-Office of the Council.** — (I) The list of priority areas as regard youth unemployment referred to by the honourable Member forms part of the guidelines for the management of the European Social Fund for the period 1980-1982.

The administration of the Fund, in particular the formulation of guidelines for its management, are the responsibility of the Commission, which is assisted in this task by an advisory committee composed of representatives of the various Governments and of organizations set up by both sides of industry.

According to the Council's information, the Commission is currently considering whether to adopt an amended version of the guidelines for the period 1981-1983.

**Ms Clwyd.** — Mr President, I do not feel that the Council has answered my question any more than the Commission answered it earlier in the week. It is a question I have been asking regularly for the last nine months.

Would not the Council agree, as the Commission now appears to agree, that many of the areas on the so-called youth map are statistical regions which are too large to reflect the considerable disparities in youth unemployment between various sub-regions and therefore, because they do not reflect these needs in the sub-regions, are not designated as priority areas?

I would have thought the Council was deeply concerned about the young unemployed, particularly when the Social Fund youth map is specially designed to take care of those problems. I hope the Council can confirm that the United Kingdom Minister on the Council of Ministers has raised this problem with you, because it is a problem which particularly concerns parts of the United Kingdom.

**Mr Zamberletti.** — (I) The Council is aware of the repeated requests to examine this problem raised by the honourable Member. I should like to say that all views expressed on a question of this kind, and in particular those of the Members of the European Parliament, are undoubtedly useful, and I think they will be taken into account by the Community in drawing up any new guidelines. On the other hand, I should like to point out that the Member States involved always have the possibility, which they make use of, to bring up any matters of relevance to this problem within the Consultative Committee which assists the Community.

I should point out, finally, that this responsibility, i.e. determining these areas within the context of the relevant regulations, is a matter for the Commission assisted by the Consultative Committee, and it is therefore up to the Commission to determine priority



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areas on the basis of the general criteria laid down in Articles 3 (a) of Regulation No 2396/71/EEC.

**Mr Boyes.** — Perhaps the greatest problem facing all Member States in the Community is the ever-growing number of the unemployed. Particularly tragic is youth unemployment. It is an important symptom of the EEC's inability to deal with the fundamental social problems occurring in the Community.

There is little doubt that the youth map has proved an inadequate device for defining geographical concentrations of youth unemployment. The difficulties exist nonetheless because it is possible to randomly stick a pin in the map of Europe and find a problem area.

Having said this, one has to recognize two things: (a) that there are regional variations in many of the countries of the Community and (b) that the Social Fund is far too small to deal with them. Has the Council any proposals that might give short-term hope to the millions of youngsters unemployed?

**Mr Zamberletti.** — (I) The honourable Member's request reflects a problem which the Council is considering, and I would remind you that at the last meeting of the European Council particular attention was devoted to this problem of youth unemployment. This is a problem about which the Council feels concern and one which, in the next few years, should be the subject of a major Community effort.

As regards specific measures, I must stress that it is up to the Commission to propose such measures. However, as regards the Council's policy, the sensitivity to this question shown by the European Council and the concern for major areas of the Community mean that any proposals submitted by the Commission on this matter will receive our closest attention.

**Mr Seal.** — Can the Council assure us that they have taken into account the special problems that exist in areas like the one I represent where there is a large coloured population and the majority of the youth unemployed in the Bradford area are coloured? Have the Commission taken this into account, and could they assure me that they will make a special allocation of funds available to regions like these, where the problem is so difficult?

**Mr Zamberletti.** — (I) I should like at this point to repeat that the responsibility on this matter lies with the Commission. I must remind you in this connection of Article 3a contained in Regulation No 2893/77 amending Regulation No 2396/71/EEC on the reform of the European Social Fund, since it would be a good thing to avoid misunderstandings regarding the responsibilities of the various institutions, so that

information will go to whichever institution is responsible for the decisions. Article 3a states that 'the Commission shall each year adopt guidelines for the administration of the Fund during the following three calendar years. It shall forward them for information to the European Parliament and to the Council for information. The Commission shall publish these guidelines in the Official Journal of the European Communities before 1 May each year. The guidelines shall be geared to the economic and social situation in the Community. They shall take account, with a view to ensuring the harmonious development of the Community, of the extent of the imbalances in the labour market and the economic capacities available for correcting them'.

Thus, this is a matter for the Commission assisted by a committee chaired by a member of the Commission and composed of representatives of the governments and the trade unions. The value of the proposals made by Parliament and the information it has provided is thus to increase the awareness of the Commission regarding these matters. I say this since the Council is extremely concerned about this matter, whereas the responsibility for it lies with the Commission. I am not saying this in order to shift any responsibility, but merely to make clear the responsibilities of the various institutions.

**Mr van Aerssen.** — (D) Does the Council also take account, when making its decisions and laying down its general guidelines, of the fact that a possible reason for youth unemployment might lie in a misdirected educational policy on the part of the national governments, when on the one hand, for example, the coal mining industry — which the Council itself has taken as one of its priorities — in one of the Member States of the Community is looking for 250 000 skilled workers or 3 000 young workers who, as a result of the current educational policy, just cannot be found?

**Mr Zamberletti.** — (I) The honourable Member is right in what he says and indeed, the Commission's guidelines are based on the economic and social situation within the Community taking account, with a view to ensuring the harmonious development of the Community of the imbalances in the labour market and the economic capacity available for correcting them.

Obviously, therefore, this Article of the Regulation refers to the social and economic situation in the various parts of the Community and, hence, all those elements which disturb the balance and must therefore be remedied before production can start to rise again.

**President.** — I call Question No 44, by Mr Spencer (H-109/80, formerly 0-149/79):

Early in 1979, the Commission sent to the Council a Communication (COM (79) 115 final) on migration poli-

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cies *vis-à-vis* third countries. The Communication stresses the desirability of instituting, within the Council of Ministers, concertation of the policies of individual Member States towards migrants from third countries.

This is a subject which touches the present welfare of many migrant workers within the Community as well as the prospects of those who wish to enter to take up work.

In view of this, and bearing in mind the Council's discussions on 22 November 1979, can the President-in-Office of the Council state what action it is now proposed to take on the Communication, and will he undertake that the Council will consult the European Parliament on this?

**Mr Zamberletti, President-in-Office of the Council.**

— (I) In March 1979, the Commission submitted to the Council a Communication concerning concertation of migration policies *vis-à-vis* third countries. It stated on that occasion that the Communication was 'intended to be discussed by the Council at its next meeting on social questions'. As is customary with such communication, the Commission did not suggest that the Council refer the matter to the European Parliament or the Economic and Social Committee, as these bodies could in any event adopt positions on the communication in question if they so wished, since it had been forwarded to them by the Commission. At its meeting on 22 November 1979, the Council arrived at a number of conclusions on the matter which were made public: these conclusions emphasize the importance which the Council attaches to concertation of migration policies *vis-à-vis* third countries and specify *inter alia* the fields on which, in the Council's view, appropriate concertation should concentrate.

It is now for the Commission to make preparations or arrangements for concertation, in accordance with the Council's conclusions. The European Parliament will, if it so desires, be able to inform the Commission of its views on the matter.

**Mr Spencer.** — I thank the Minister for his courteous reply. This is one of the questions which, though there is no legal requirement for consultation with Parliament, had I think by precedent become a matter on which the Committee on Social Affairs and Employment would normally have been consulted by the Commission.

I raise this question on behalf of, and with the unanimous vote of, my committee. We regretted the failure of the Commission to discuss this important matter with us at the time.

I can only further regret that the delay in processing this question has robbed it of some of its urgency. Nevertheless the committee wished to bring it forward. We will now pursue our enquiries solely at the Commission's door if you can assure me that the Council is not working on this matter further and has passed the matter back entirely to the Commission.

**Mr Zamberletti.** — (I) I can assure the honourable Member that now that Council has reached its conclusions it is obviously for the Commission to prepare the implementation or concertation. This then is the context in which the European Parliament's wish to play an active part in the discussion of the Commission proposal must be placed, and it can clearly conduct its consultation with the Commission on an autonomous basis.

**Mr Van Minnen.** — (NL) I too should like to thank the President-in-Office for his reply in which he gave a lot of details which again get us nowhere. My colleague, Mr Albers, has already, in a question to the Commission last Monday, drawn attention to the total imbalance between supply and demand on the labour market, which is ultimately what is concerned here. The previous question dealt mainly with youth unemployment, but this question just as much concerns unemployment in general. On that occasion he also drew attention to the existence of the 'CEDOC system' the purpose of which is to bring supply and demand within the European Community at least a little closer, and he pointed out, in particular, the somewhat amazing fact that a steel company such as Nederlandse Hoogovens in IJmuiden is apparently unable to meet its demand for labour and therefore recruits in third countries.

Can the President-in-Office perhaps tell us to what extent this recruitment policy is consistent with the migration policy for workers from third countries he has described in such detail just now?

**Mr Zamberletti.** — (I) I repeat that it is now for the Commission to implement these guidelines and that this is no longer a matter for the Council.

Now that the Council has issued its own conclusions, it is with the Commission that Parliament must conduct the dialogue with a view to making its views known. I might add that the meeting of the competent ministers of the 21 member States of the Council of Europe who met in Strasbourg on 6-8 May for the first European conference on the problems of migration, is of considerable importance for setting out this whole problem. This problem is a very serious one, and my reason for referring to this meeting was to demonstrate that other European bodies are also taking action in the awareness that this problem will be one of the central issues over the coming years.

**President.** — I call Question No 45 by Mr Denis (H-91/80, formerly 0-159/79):

Full implementations of the basic regulation introducing a common organization of the market in poultrymeat, on 15 August 1981 would have disastrous consequences in France for the production and marketing of Bresse chickens, all the more so since the provisions laid down by the

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French Government may lead to the total disappearance of the producers of Bresse poultry. Is the Council aware of the serious danger to the producers themselves and to a product of internationally recognized quality?

**Mr Zamberletti, President-in-Office of the Council.** — (I) Pursuant to the basic Regulation of 1967, the Commission submitted a proposal to the Council in 1971 concerning certain marketing standards to apply to certain poultrymeat products. In view of problems raised by the accession of three new Member States and of difficulties encountered in the technical examination of this proposal, the Council has not so far been able to take a final decision on the Commission proposal.

With regard to the harmonization of veterinary legislation, the Council amended Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat extending certain derogations — originally valid only until 15 August 1981 — for an indefinite period in the case of small scale productions. The Council has taken account of the difficulties which might be encountered by certain traditional producers as a result of Community legislation.

**Mr Denis.** — (F) In view of what you have just said, should not the Community legislation be clearly and definitively modified, since what is concerned here is maintaining quality production on family farms which permits the producers in question to guarantee their standard of living and to follow their traditional trade?

**Mr Zamberletti.** — (I) As regards the concern of the honourable Member regarding the nature of the problem to which he has quite rightly drawn our attention, I think it should suffice to remind you that on 22 January 1980 the Council amended Directive 71/118/EEC on health problems in connection with trade in fresh farm-produced poultrymeat by extending for an indefinite period the derogation applying to the sale of fresh poultrymeat from small-scale producers to the final consumer at the nearest weekly markets. This decision extending the derogation for an indefinite period should, I think, dispel the honourable Member's anxiety on this point, and I should add that the Council has not as yet received any proposals from the Commission which go beyond this proposal to the extent of a derogation permitting sales throughout the territory of a Member State or throughout the entire Community.

**President.** — I call Question No 46 by Mrs Ewing (H-30/80):

In view of the fact that the conciliation procedure applies only to general acts with major financial implications, will the Council agree that a delegation from it and from the Permanent Representatives Committee (Coreper) should meet a delegation of Parliament, at the request of Parlia-

ment, whenever Parliament considers that Council and/or Coreper have not taken adequate action on texts adopted by Parliament and which Parliament considers to be of exceptional importance?

**Mr Zamberletti, President-in-Office of the Council.** — (I) The Council has adopted arrangements, as the honourable Member would have wished, designed to enable better consideration to be given to the Opinions of the European Parliament. These provide, in respect of all Opinions, whether or not they relate to proposals covered by the conciliation procedure, that the reports drawn up at each stage of the Council's discussions must indicate where the line taken diverges from the Opinion of the European Parliament.

In addition, both for acts covered by the conciliation procedure and further acts which have financial implications or are of particular significance, there are procedures enabling delegations from the European Parliament to put forward that body's point of view in an appropriate way.

**Mrs Ewing.** — Will the President-in-Office give his views on the recommendation of the Three Wise Men that Coreper should be granted more authority within the decision-making process? If this recommendation is implemented, it does seem to me — though it is not so crystal clear — that Coreper should correspondingly be more accountable to Parliament for its decisions on Commission proposals on which Parliament has given its opinions. Could I ask the President-in-Office to consult the report drawn up by the late Sir Peter Kirk, when he was rapporteur on inter-institutional relations for the Political Affairs Committee in the old Parliament, in which he proposed that the EP should exercise more supervision over Coreper.

**Mr Zamberletti.** — (I) As regards the observation concerning the attention which the Council is devoting to the report of the Committee of Three, this has already been the subject of informal meetings of the Council, the first of which was held in Varese and was followed by one in Brussels. The next session of the Council of Foreign Ministers will also be preceded by a further Council meeting, which will probably also be informal, for the purpose of examining all aspects of the report of the Committee of Three which concern the more efficient functioning of the institutions, particularly the Council.

As regards the conciliation procedure, this is one of the matters to which the Council is devoting attention together with the question of the consideration to be given to Opinions issued by this Parliament. I must point out to the honourable Member, however, that Coreper cannot be regarded as a body independent of the Council and which can have direct relations with the Parliament. The responsibility of the Council

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*vis-à-vis* Parliament is an overall one which is represented by the responsibility of the President of the Council.

**Mr de Courcy Ling.** — Is the President-in-Office of the Council aware that one potential area for the use of this conciliation procedure is the matter of the 80 % immunity from tariffs on oranges from Israel imported into the Community? Is the President-in-Office of the Council aware that the Commission, Parliament's Committee on External Economic Relations, the responsible delegation of the Parliament and 8 out of the 9 members of the Council of Ministers are all in favour of an 80 % immunity from tariffs on these oranges? Is the President-in-Office of the Council also aware that the only member of the Council who is reluctant to implement this regime in regard to these oranges is the Italian Foreign Minister, and which does the President-in-Office of the Council consider to be his better half in this matter?

(Laughter)

**Mr Zamberletti.** — (I) I do not regard the question put by the honourable Member as relevant to the matter in hand.

(Laughter)

**Mr van Aerssen.** — (D) Following the extremely positive reply given by the President-in-Office to the original question, I should like to ask him how the Council visualizes this commitment. Will it make a solemn declaration, will it conclude an agreement constituting a formal commitment or a similar agreement with the European Parliament by making a statement here in this House, to the effect that this new path will now be followed, i.e. that more account will be taken of the opinions and statements of the European Parliament?

The second question I would like to ask on the basis of what the President-in-Office of the Council has said is whether or not the Council is also prepared to extend the conciliation procedure — by practical means without amending the Treaties and without major statements — to other areas of conflict between Parliament and the Council?

**Mr Zamberletti.** — (I) I should like to point out that in examining the report of the Committee of Three, it is not the aim of the Council to change the spirit and letter of the Treaties, which will be respected. They remain at the centre of our attention, and now more than ever before, the defence of the Treaties represents, as it were, an anchor. Those relations between Parliament and the Council which are not covered by the conciliation procedure are a problem which is one

of the issues foremost in the minds of the Council in its examination of the report of the Committee of Three. As you know, the Council will present at the next European Council a set of guidelines representing the outcome of the Council's deliberations, and the work of the Council of Ministers on the report of the Committee of Three will be subjected to a final examination.

However, as regards relations between the Council and Parliament concerning decisions of the Council which depart from the Opinion of Parliament, insofar as acts with financial implications or other important acts are concerned, I should like to say that the Council is prepared to inform Parliament, on request, of its motives for departing from Parliament's Opinion, without prejudice — and this is important — to the normal procedure of written and oral questions.

**President.** — Since its author is absent, Question No 47 will receive a written reply.<sup>1</sup>

I call Question No 48 by Mr Hume, for whom Mr Seal is deputizing (H-92/80):

Will the Council take steps to expedite the second multi-annual research and development programme for textiles?

**Mr Zamberletti, President-in-Office of the Council.** — (I) The Council has not yet begun its examination of this proposal for a research programme, as it is still waiting for the Opinion of the European Parliament, which was consulted on 18 April 1979, and for the opinion of the Scientific and Technical Research Committee.

**Mr Seal.** — Would the President-in-Office of the Council ensure that once the House's opinion has been passed on, these research programmes will continue to be pursued as quickly as possible, particularly in deprived textile areas, and that wherever possible the resulting information is also disseminated as quickly as possible to deprived areas in order to save some of the jobs which are now disappearing at an alarming rate throughout the EEC?

**Mr Zamberletti.** — (I) As soon as it receives the opinion the Council will begin its examination of the proposals.

**Mr J. D. Taylor.** — Once Parliament has approved this textile research programme, is it then possible for the Council to proceed to approve the programme without the 1980 budget having first of all been adopted?

<sup>1</sup> See Annex.

**Mr Zamberletti.** — (*I*) The Council will be able to examine the programme without further ado as soon as it receives Parliament's Opinion.

**Mr Enright.** — I take the point of the President-in-Office that he cannot do anything in this particular instance until Parliament has taken its decision. Nevertheless, has the Council at any time considered in depth the problems being faced by the textile areas, which have a rate of unemployment much more serious than that of the steel industry?

**Mr Zamberletti.** — (*I*) The Council has frequently had occasion to consider this matter, but not, however, within the context of the research and development programme for the textile sector of which we are speaking, since the examination of this programme will only be possible after we have received Parliament's Opinion.

**President.** — I call Question No 49 by Lord Douro (H-96/80):

In view of the disturbing reports about maltreatment of animals from and to Greece, and in view of Greece's impending accession to the Community, and in view of the various Community directives on the treatment of animals, will the Council ask the Greek Government to take steps to ensure that their own legislation about the treatment of animals is brought into line with the rest of the Community as soon as possible?

**Mr Zamberletti, President-in-Office of the Council.** — (*I*) On 18 July 1977, the Council adopted a Directive on the protection of animals in international transport. Article 4 of this Directive stipulates in particular that each Member State must ensure that a number of conditions, specified in the Annex to the Directive, should be complied with in the international transport of animals so as to avoid any maltreatment. As from its accession, which is scheduled for 1 January 1981, the Hellenic Republic, in accordance with Article 145 of the Act of Accession, will have to bring its national laws, regulations and administrative provisions into line with the provisions of the aforementioned Directive. It should be noted, moreover, that Greece ratified the European Convention on this matter on 25 May 1978.

**Lord Douro.** — Is the Minister aware of the considerable public concern about the way many horses are exported from Greece to Italy, and the treatment these horses receive both during their transport within Italy and at the point when they are loaded onto ships at Greek ports? Will the Minister express to the Greek Government the hope that they will immediately bring in the necessary legislation to prohibit this maltreat-

ment right away rather than wait for the formal accession of Greece to the Community next January?

**Mr Zamberletti.** — (*I*) I must confess to the honourable Member that I was not aware of this problem before he put this question. I can inform you, however, that a careful study of this question has permitted the Council to establish that, essentially, by 1 January 1981, Greece will have to come into line with the provisions of the Directive to which I have just referred, which will mean that, through the application of the legislation, Greece will become one of the countries which observe standards designed to ensure the humane treatment of animals.

The Hellenic Republic will not fail to come into line with this legislation so that it will be fully operative as of 1 January 1981. It is therefore reasonable to assume that the problem to which the honourable Member has drawn our attention will be solved in such a way as to satisfy all concerned.

**Mr Moorhouse.** — May I echo the concern expressed by Lord Douro on the question of the export of live horses from Greece to Italy. It is reassuring to hear of the reply of the President of the Council. May I, however, make the point that it would seem to many of us that the Italian authorities have an equal responsibility in this matter and it is to be hoped that the President-in-Office of the Council will use his personal influence to see to it that horses so exported and transported are no longer maltreated.

**Mr Zamberletti.** — (*I*) The point made by the honourable Member is news to me. I will nevertheless take due note of it. This Directive is currently in force in Italy, and I am certain that the Italian authorities apply it scrupulously.

**Mr Romualdi.** — (*I*) I should like to ask the President of the Council, who has assured us that this Directive is applied in Italy, whether he is aware, however, that the Society for the Protection of Animals has been abolished in Italy. Unfortunately, contrary to what is claimed, this Directive is not applied in Italy. I think the Minister should tell us on what basis he claims that Italy acts in accordance with the general Directive on the protection of animals.

**Mr Zamberletti.** — (*I*) The Directive is in force in Italy, and the Society for the Protection of Animals is not covered by this Community Directive. Thus these are two totally different problems.

**President.** — I call Question No 50 by Mrs Dienesch (H-105/80):

Could the Council consider introducing a European inspection, similar to that carried out in ports, for oil tankers carrying oil in the English Channel, such that the latter could be regarded as an outer harbour of Europe?

**Mr Zamberletti, President-in-Office of the Council.** — (I) There are two Directives which already permit some inspection of oil tankers carrying oil in the English Channel. One concerns the minimum requirements for certain tankers entering or leaving Community ports. The other is designed to encourage the use of adequately qualified deep-sea pilots authorized to pilot vessels in the North Sea and English Channel.

The Council will certainly look at any other measures designed to intensify the control of vessels operating in the English Channel, on the basis of any suggestions which the Commission and the Member States might submit to it. The French Government recently submitted to the European Council, at its meeting on 27 and 28 April, a memorandum on the safety of sea transport and on combating pollution by hydrocarbons transported by sea. Finally, the Council is currently considering the possibility of making compulsory in the Community two Resolutions of the Intergovernmental Maritime Consultative Organization (IMCO) which invite the Governments of the Contracting Parties to apply certain procedures in their ports and to vessels flying their flags, for the monitoring of the Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution of the Sea by Oil (Oilpol) and the Convention on Load Lines.

**Mrs Dienesch.** — (F) Mr President, you have just referred to a memorandum submitted by France which will no doubt be examined at the meeting of the Transport Ministers scheduled for 24 June. In 1975 and 1977, memorandums submitted by France came up against the opposition of many of our European colleagues. As regards the inspection of substandard oil tankers, for example, France very conscientiously reported 55 such oil tankers. Our other colleagues found considerably fewer; Germany and the United Kingdom did not reply.

Since this involves the application of a clause concerning very serious accidents affecting the countries with coastlines on the English Channel and the North Sea, I am rather concerned about the chances of unanimity on this subject. Is there any chance of the studies approved by the Council of Ministers of 26 June 1979, which incidentally had originally been proposed by France, being entirely effective, particularly as regards combating pollution, in view of the different kinds of oil? It does not seem to me that the studies which have been carried out so far have been translated into action.

**Mr Zamberletti.** — (I) In addition to the French memorandum, the Commission is, according to the information I have received, preparing a proposal on inspection by the Member States to ensure that ships using Community ports effectively apply safety standards and these Conventions, together with the standards laid down in ILO Convention No 147 on minimum standards on board merchant vessels, the international Convention of 1973 on protection against pollution caused by ships and the Convention of 1978 on training standards for seamen.

Following the developments in Luxembourg, the Commission has taken over the memorandum from the French Government and is currently basing its work on a series of conventions which will be able to provide an additional legal basis for a proposal to the Council. Certainly, the problem is serious and complex, but it must be approached with a great sense of responsibility and commitment, and we will use all the legal tools available to us.

**President.** — Although there are still a number of Members who are wishing to speak on this question, we must unfortunately proceed to the questions addressed to the Foreign Ministers.

I call Question No 62 by Mr d'Ormesson (H-20/80):

In the light of the Soviet Union's strategic build-up in the Indian Ocean and Persian Gulf, have the Foreign Ministers taken steps to coordinate efforts by the Member States with a view to the best possible protection of sea-links between Europe and the oil and raw materials producing countries?

**Mr Zamberletti, President-in-Office of the Foreign Ministers.** — (I) Political and military problems of the type mentioned by the honourable Members are dealt with in other international forums and are not discussed by the various Member States of Community meeting in political cooperation. The honourable Member will therefore understand that the Presidency is unable to answer this question.

**Mr d'Ormesson.** — (F) May I reply to the representative of the Foreign Ministers that on 17 April I suggested that while the Heads of State and Government of the Community should continue in their willingness to attempt in a reasonable and dignified fashion to find peaceful compromises, we should in future also have the courage to make new proposals for the defence of Europe and the security of its sea links. I added that if the authors of the Treaty of Rome were to meet today, the main subject they would discuss would be the defence of Europe and the security of its supplies of mineral and vegetable materials and oil.

I take due note of the reply which the representative of the Council of Foreign Ministers has given today, but

**D'Ormesson**

I persist in my view that in the near future, a rapporteur will be appointed to deal with my motion for a resolution and I have no doubt that, after he has produced his report, a large majority in this House will decide in favour of it. Judging from the angry reaction of the Communist party to this proposal, it seems to me and my friends that it would indeed be advisable to continue pressing this point until account is taken of it.

*(Protests from the extreme left. Applause from the right)*

**Mr Zamberletti.** — (I) I have listened to the views of the honourable Member but must nevertheless point out that, as President of the Council, I can only reply that questions of military policy are matters for other international forums.

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

**Mr Baillot.** — (F) Mr President, I should like to point out to you that you have once more overstepped the limits of your competency in allowing a Member, not to put a question to the President-in-Office, but to expound his views on the matters arising from the original question and, in particular, to prejudge the outcome of the deliberations of the Political Affairs Committee on this matter which has been referred to it by the Assembly.

**President.** — I take due note of your observation.

I call Sir Peter Vanneck.

**Sir Peter Vanneck.** — Now that the Soviet Union has stationed 20 naval vessels, including an aircraft carrier, in the Indian Ocean where the Soviet Union has neither a coastline nor established economic interests, do the Foreign Ministers meeting in political cooperation intend to discuss security with the Community's partners in the Lomé Convention whose coastline and territory and politics must be affected by the Soviet presence?

*(Laughter)*

**Mr Zamberletti.** — (I) Mr President, I repeat that matters of this kind lie outside the scope of political cooperation. Even if an attempt is made to get the President of the Council to change hats and discuss matters which are discussed elsewhere by the governments and those responsible, I must point out that, as President of the Council, it is my duty to keep within my competencies and the institutional framework of the Council of Ministers of the Community.

**Mr Habsburg.** — (D) I am convinced that my question will not receive a reply any more than the

previous question, but I should nevertheless like to ask it, since we have been assured that Mr Colombo would be informed. My question is as follows: since the oil produced by the Gulf States is of vital importance for the Community, and since these States have a massive security requirement, is it not time we initiated a constructive dialogue on the question of what we can offer them in terms of possibilities or instruments for training? Can the Ministers not take up a dialogue of this kind?

*(Scattered applause on the right)*

**Mr Zamberletti.** — (I) All the other Members of the Council are informed of everything which is said in this House. As regards the honourable Member's question, I must say that it is not relevant to the question in hand, as it deals with relations between the Community and the Gulf States and not the protection of sea-links.

**Mr Albers.** — (NL) I would like to put Parliament a little more at ease by pointing out that the Foreign Ministers meeting in political cooperation should take account of the opinion of Parliament to the effect that the coastal radar systems should be more closely integrated with one another and used for the protection of sea routes, which would mean that the warships mentioned by Mr Ormesson would remain in the roads.

**Mr Zamberletti.** — (I) I am sorry to have to keep repeating the position of the Council, but my reply is the same as the one I have already given to Mr d'Ormesson.

**Mr van Aerssen.** — (D) Now that the President has repeatedly assured us that for fundamental institutional reasons he is unable to answer the question, I should like to ask how he comes to this conclusion, since European Political Cooperation is not covered by the Treaties. We have built it up jointly and this directly elected Parliament has the right to put questions regarding foreign policy at any time to this other instrument of the European Community, i.e. the Council, and to expect to receive an answer. On what grounds does the President-in-Office assume he has the right to refuse to answer this question?

*(Scattered applause on the right)*

**Mr Zamberletti.** — (I) I am not here to make judgments regarding what may or may not be discussed within political cooperation, but rather to say what has been discussed. Since you asked me whether certain problems had been discussed in this context, I was obliged to reply that they had not.

**Mr Prag.** — In view of the continued inability of the President-in-Office of the Council of Ministers to answer questions of this kind, would he perhaps say when the Foreign Ministers meeting in political cooperation are going to recognize that the security of our energy supplies is inseparable from energy policy and from foreign policy in general, and that the people of the Nine expect our Community to concern itself with the things that really matter, and above all the security of Europe?

*(Applause from some quarters on the right)*

**Mr Zamberletti.** — (I) The Presidency of the Foreign Ministers is well aware of this matter. Since I have not been asked whether military policy has been discussed elsewhere, but have rather been questioned regarding any decisions taken by the Foreign Ministers, I must repeat what I have already said in connection with the question on sea-links, i.e. that it has never been discussed within the context of political cooperation.

**President.** — I call Question No 63 by Mr Hutton (H-26/80):

In the light of press and television reports of use by the Soviet Union of chemical warfare in quelling the Afghan people, and in view of the fact that the Soviet Union and Afghanistan ratified the 1972 Convention on the Prohibition and Development, Production and Stockpiling of Bacteriological and Toxin Weapons and their destruction, will the Foreign Ministers authorize the President-in-Office to lodge a complaint with the Security Council of the United Nations in order that an investigation might be initiated?

**Mr Zamberletti, President-in-Office of the Foreign Ministers.** — (I) As regards the specific question concerning the possibility of an initiative which would have to be based on the general provisions contained in the Statute of the United Nations, requesting the Security Council to initiate an investigation into the alleged use of chemical weapons in Afghanistan, I must say that this matter has not yet been discussed within the context of political cooperation.

Naturally, if these press and news reports were to be definitely confirmed, the Nine could only condemn the use of weapons of this kind.

Since these reports refer to chemical weapons, it would not be possible to lodge a complaint on the basis of the Convention of 1972 on biological weapons. However, I must repeat that the Nine regard as a high priority the need to take urgent steps towards the banning of chemical weapons. Indeed, recently at the occasion of the adoption of Resolution No 3472 by the United Nations General Assembly, the Nine expressed their agreement with the view that multila-

teral negotiations should, as a matter of urgency, be initiated within the Geneva Committee on Disarmament with a view to drawing up a Convention on the complete and effective prohibition of the production and stockpiling of chemical weapons and the destruction of existing stocks. The Nine are therefore pleased at the recent decision of the Committee on Disarmament to set up an *ad hoc* working party to look into the matter in the course of 1980 and determine the points to be dealt with during the negotiations on the Convention, taking account of any proposals and future initiatives on this matter.

The unanimous declaration by the Nine to the effect that the swift drawing up of a Convention was a priority issue, follows a series of specific steps taken by individual Member States of the Community.

**Mr Hutton.** — While I must thank the President-in-Office of the Council for the fullness of his answer, I am astonished that he should sidestep my question by avoiding the point of it. I have quite clearly stated in the question that I am talking about the convention on the prohibition of the development, production and stockpiling of bacteriological and toxin weapons. This refers to chemical weapons. Is the President-in-Office of the Council aware of the loathsome nature of the weapon which the Soviet Union has used against the Afghans and which it also supplied to the Vietnamese for use in Laos? For those Members who do not know, it causes muscular paralysis and prevents its victims from breathing. Is he aware of the reports its use in Afghanistan is a test of a weapon which could be used in any conflict in Western Europe? Is he also aware that the Soviet Union is said to hold stocks of this weapon sufficient to kill twice the population of Western Europe?

*(Applause from some quarters on the right)*

**Mr Zamberletti.** — (I) I should like to point out to the honourable Member that the text before me speaks of chemical weapons used by Soviet Union to quell the revolt. I do not know whether there has been a mistake in translation, but if you intended to bring up the question of biological weapons, the situation is quite clear. Even if there is no convention on chemical weapons, the Convention on bacteriological weapons contains an undertaking to the effect that efforts should be made with a view to drawing up an agreement on chemical weapons.

The current situation with regard to this question is one of stalemate, particularly because of the attitudes of the two major powers. However, we must make the point that as a result of a largely European initiative, Geneva has provided an impulse towards an initiative, in which the role of Europe is a particularly significant one, to draw up a proposal on chemical weapons. It is true that my reply referred to chemical weapons and this is why I answered as I did.



**Mr Penders.** — (NL) In view of the text contained in the Final Act of Helsinki, which also relate to areas outside Europe, are the Foreign Ministers prepared to draw up a file on chemical and bacteriological weapons which we will be able to use in preparing the Madrid Conference?

**Mr Zamberletti.** — (I) I should like once more to draw a clear distinction between bacteriological and chemical weapons. In the case of bacteriological weapons, a Convention already exists and is being updated. As regard chemical weapons, multilateral talks are at present in progress with a view to reaching a conclusion or at least a drawing up a proposal. The initiative on the part of Europe is extremely important in these talks which are being conducted within the Committee on Disarmament. It is there, I think, that this work should be carried out via the specialized channels and as a result of the diplomacy and political initiative of the countries of Europe.

**Mrs Kellett-Bowman.** — Now that the President-in-Office thoroughly understands the question he was asked, would it be possible for him to do as the questioner asks and to lodge a complaint with the Security Council? It has been claimed that 900 000 to 1 million people have been wiped out in one way or another in Afghanistan. Is it possible for him now to accede to questioner's request and make a complaint to the Security Council?

**Mr Zamberletti.** — (I) I should like to remind the honourable Member that the initiative of the Nine regarding Afghanistan is something more than an attempt to discuss the type of weapons which should be used to suppress a people. The initiative taken by the Nine in connection with Afghanistan is a firm request to the Soviet Union to withdraw from Afghanistan and to call a halt to any type of military intervention in that country. The very firm position adopted by the Nine on this point reflects the principal objective, i.e. the withdrawal of the Soviet military presence in Afghanistan. In this context we are not discussing the type of weapons which may be used to repress a people or of the extent to which we should condone armed aggression.

IN THE CHAIR: MR DANKERT

*Vice-President*

**President.** — I call Question No 64 by Mrs Ewing (H-46/80):

In view of the publication in February 1980 by Amnesty International of a Testimony on secret detention camps in

Argentina, which contains details — subsequently largely corroborated by Amnesty — of secret detention camps in Argentina where hundreds of people have been systematically tortured and killed since 1976, will the Foreign Ministers make a vigorous protest to the Argentinian Government about these flagrant violations of human rights, and also ask that Government to provide detailed information about the fate of the prisoners named and identified in the Testimony?

**Mr Zamberletti, President-in-Office of the Foreign Ministers.** — (I) The Nine fully realize the need for the international community to continue to keep a close eye on the situation as regards human rights in Argentina and in other parts of the world, as stressed by the then President in his statement on behalf of the Member States of the Community to the 34th General Assembly of the United Nations.

No State nowadays can hope to escape criticism whenever serious and continued violations of human rights come to light. The Nine has received indications in recent months to the effect that the Argentinian authorities might be prepared to hold talks with the democratic forces in the country which appear to have contributed toward a certain improvement in the field of human rights. When submitting the report on this matter to the press last February, the Secretary General of Amnesty International himself acknowledged the fact that the situation showed signs of improving. The Nine intend to follow these developments very closely, while at the same time stressing in their dealings with the Argentinian authorities the importance they attach to the need both fully to respect human dignity in an ordered society, and to provide satisfactory explanations of what has happened to persons who have disappeared.

**Mrs Ewing.** — While thanking the President-in-Office for an answer which has that little bit of silver lining in it, I nevertheless draw attention to the resolution passed by another parliamentary forum, the European Parliamentary Assembly, a resolution which was passed almost unanimously on 1 February and which called on the governments of member countries of the Council of Europe to halt all financial and military aid to the government of Argentina and certain other Latin American countries, and to use the kind of pressure that the President referred to just now. After all, that parliamentary forum does include all the Member States of the Community.

Does he not feel that we should go a little further than the answer indicates?

**Mr Zamberletti.** — (I) In my reply I explained that, while taking account of observations regarding certain signs of improvement, albeit slight, in the situation, the Nine intend to conduct their relations with the Argentinian authorities with the greatest attention and

**Zamberletti**

commitment. We will use this initiative on the part of the Nine to insist that full respect for human dignity should be guaranteed and to demand, with the utmost firmness, fuller explanations as to what has become of the persons who have disappeared. The initiative taken by the Nine will certainly not, therefore, consist merely of noting the facts, but will also involve a careful study of the situation together with a series of dynamic measures designed to restore normality. As regards the Resolution of the Council of Europe, this will be examined through the normal institutional channels.

**President.** — I call Question No 65, by Mr Moreland (H-102/80):

What interpretation is supported by the Foreign Ministers of the Camp David Agreement between Egypt and Israel on the future constitutional arrangements for the Gaza Strip and the West Bank of Jordan on an autonomous Palestinian State?

**Mr Zamberletti, President-in-Office of the Foreign Ministers.** — (I) As you know, the Nine only recently repeated that a just and lasting overall solution was the only way in which real peace could be established in the Middle East. I am referring to the statement made by the Heads of State and Government and the Foreign Ministers of the Nine issued in Luxembourg on 28 April 1980. The Nine also stated beforehand that, in their view, a solution of this kind should be based on Resolutions Nos 242 and 338 of the Security Council applied in full and on all fronts and on the following principles: firstly, the inadmissibility of the acquisition of territory by force; secondly, the need for Israel to put an end to the territorial occupation it has maintained since the conflict of 1967; thirdly, the respects of the sovereignty, territorial integrity and independence of all States in the region and their right to live in peace within secure and recognized borders; fourthly, the recognition of the fact that account must be taken of the legitimate rights of the Palestinian people in the establishment of a just and lasting peace. Thus, according to the Nine, the two Security Council resolutions together with the above principles taken as a whole formed the essential framework for a peaceful settlement. In the view of the Nine, these principles must be accepted by all those involved, which means that the Palestine Liberation Organization must therefore also take part in the negotiations for an overall solution in which all the parties will play a full part. Since their statement of 19 September 1978, the Nine have devoted very close attention to the negotiations which have led to the signing of the agreements between Egypt and Israel.

**Mr Moreland.** — Would the Minister elaborate on point 4, concerning the rights of the Palestinian people? Could he assure us that the Foreign Ministers entirely support the continuation of the State of Israel,

within at least its pre-1967 boundaries, and that any discussion with any organization that wishes to change that situation must be based on the recognition of the State of Israel.

*(Applause from some quarters on the right)*

**Mr Zamberletti.** — (I) The honourable Member's concern is legitimate. However, in the light of Security Council resolutions Nos 242 and 338 together with the principles they have frequently affirmed, the Nine have attempted to work out to a definition of the problem which will provide all the guarantees required over the whole range of concerns which have been stressed so often. The Nine have pointed out that it is essential that all those parties who hope to see a negotiated solution to the Middle East conflict accept the right of all the States in the region to live within secure, recognized and adequately guaranteed frontiers.

According to the Nine, the overall solution should result from careful consideration of the two Security Council resolutions I have mentioned and the principles put forward by the Nine. A solution of this kind would have the support of the international community. It should therefore satisfy the legitimate demands of all the parties concerned including, therefore, Israel, which has a right — I repeat, according to the statement of the Nine and the principles they have outlined — not only to exist in peace but within secure, recognized and adequately guaranteed frontiers. Thus the Nine are opposed to the policy of the Israeli Government involving the establishment of settlements in the occupied territory. This position of the Nine does not conflict with its decision to guarantee Israel secure boundaries, but arises from the concern of the Nine regarding the rights of the Palestinians and, hence, an overall solution to the conflict. The Nine are therefore working with a view to proposing a solution which will not only be just but will also stand a chance of being a lasting solution.

**President.** — I am afraid I cannot allow any more speakers.

Question Time is closed.<sup>1</sup>

## 12. Agenda for next sitting

**President.** — The next sitting will take place tomorrow, Thursday, 22 May 1980, from 10 a.m. until 1 p.m., from 3 p.m. until 8 p.m. and from 9 p.m. until 12 midnight, with the following agenda:

<sup>1</sup> See Annex.

**President**

- decisions on a request for urgent debate and three requests for early votes
  - continuation of Tuesday's and Wednesday's agendas
  - Antoniozzi report on discharge to the Commission for the ECSC's financial and budgetary activities
  - joint debate on two Battersby reports on the discharge to the Commission for the implementation of the budget of the Communities for 1978 and the seventh and eighth financial reports on the EAGGF (Guarantee Section)
  - Filippi report on the eighth financial report on the EAGGF (Guidance section)
  - report by Mr Kellett-Bowman on the discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions
  - Simonnet interim report on the administrative expenditure of Parliament in 1979
  - joint debate on two Dankert reports on carry-over of appropriations from 1979 to 1980 and on a transfer of appropriations
  - oral question with debate to the Commission on liability for defective products
  - Maij-Weggen report on colouring matters in food-stuffs
  - Combe report on intra-Community trade in meat
  - Nyborg report on VAT and excise duty on ships stores
  - Mihr report on noise emission of construction plant
  - joint debate on a Poncelet report on the second EEC research and development programme on textiles and clothing and a Herman report on clay minerals
  - Simonnet report on the use of the ECU
  - von Wogau report on directives on motor vehicles, textile names, electrical equipment and biodegradability
  - Donnez report on the EEC-Swiss Confederation trade agreement
- 3 p.m. — voting time
- The sitting is closed.
- (The sitting was closed at 7.20 p.m.)*

## ANNEX

*Questions which could not be answered during Question Time, with written answers*

## 1. Questions to the Council

*Question No 47, by Mr Balfe (H-56/80)*

Subject: Moral authority of Foreign Ministers' pronouncements

Does the Council consider that the moral authority of the Foreign Ministers' pronouncements would be strengthened by being able to know that the European Parliament always acts in accordance with the Treaties under which it was established, and that it is not open to international comments regarding the probity of its wilful actions?

*Answer*

In accordance with Article 4 of the EEC Treaty each institution is required to act within the limits of the powers conferred upon it by the Treaty.

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*Question No 51, by Mr Seal (H-108/80)*

Subject: Commercial cooperation agreement with India

Can the Council explain why, after over one year, it has still not authorized the opening of negotiations on a new Commercial Cooperation Agreement with India?

*Answer*

On 22 April 1980 the Council authorized the opening of negotiations with India with a view to the conclusion of a commercial and economic cooperation agreement.

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*Question No 52, by Mr Remilly (H-112/80)*

Subject: Adoption of the common fisheries régime

How does the Council view the prospects for the adoption of a definitive Community fisheries régime? Has there been any progress in this matter in recent months and what are the remaining obstacles which the Council faces?

*Answer*

On 26 March 1980 the Council adopted an interim Decision valid until 30 June of this year in which it affirmed *inter alia* its intention to reach an overall agreement on the common fisheries policy as soon as possible.

Besides the abovementioned interim Decision, which seeks only to lay down protective measures, the Council took an important step towards establishing a common policy for the management of stocks by adopting two regulations on 26 March last, one of which lays down the total allowable catches for 1980 (TAC) for various species, while the other obliges Member States to register catches and to inform the Commission thereof every month.

The obstacles which the Council still faces in defining an overall common policy in the fisheries sector while complying with Community principles, reside chiefly in the difficulty — at a time when it is necessary to restrict the whole range of fishing activity in order to protect stocks — of reconciling equal opportunity of access with certain requests to reserve preferential treatment for fishermen from the coastal State. There are in addition problems to do with the quota-allocating of catches and the definition of technical conservation measures.

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*Question No 53, by Mr Ansquer (H-114/80)*

Subject: Agenda for the economic summit in Venice

Do the Nine intend to propose to the United States a reform of the international monetary system and to discuss these proposals at the economic summit to be held in Venice in June?

*Answer*

The Community attaches the utmost importance to the efficient operation of the international monetary system. For this reason it has always taken an active and constructive part in the international discussions on measures which might improve the operation of the system.

At the recent meeting in Hamburg of the IMF Interim Committee, the President of the Council presented the Community's common position on the main problems under discussion: the international economic outlook, the creation of a substitution account, balance of payments disequilibria and the recycling of capital.

The discussion of these problems and the search for suitable solutions will continue both in the appropriate international bodies and in the Community.

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*Question No 55, by Mr Davern (H-122/80)*

Subject: Financing of aquaculture installations

Will the Council explain why it has failed to approve a proposal made by the Commission which has been before the Council since 1975 on a common measure for restructuring the inshore fishing industry, which includes provisions on the financing of aquaculture installations and which would greatly help the development of such industries in Ireland?

*Answer*

The proposal for a common multiannual measure for restructuring the inshore fishing industry and aquaculture which the Commission submitted to the Council in 1975 was withdrawn and replaced in 1978 by an amended proposal which has since been undergoing detailed examination in the Council bodies.

The few questions still outstanding on this measure could probably be resolved in the context of an overall agreement on the common fisheries policy.

Despite the delay which has occurred in the adoption of this proposal, the inshore fishing and aquaculture sector has been receiving Community aid since 1978 under the interim common measures which the Council adopted in 1978 and 1979.

The total financial contribution of the Guidance Section of the EAGGF to the financing of restructuring measures in this sector amounted to 5 MEUA in 1978 and 15 MEUA in 1979. Furthermore, in order to take account of the specific requirements of the regions for which inshore fishing and aquaculture are of particular importance — as in Ireland, for example — provision was made for the aid granted by the EAGGF to cover 50 % of the cost of the proposed investments.

On 11 April 1980 the Commission submitted a proposal to the Council with a view to extending for 1980 the measures applicable in 1978 and 1979 and to increasing the total annual appropriation to 20 MEUA. The European Parliament has been consulted on this proposal and as soon as it delivers its Opinion the Council could take a decision on the matter.

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*Question No 56, by Mr Colla (H-131/80)*

Subject: Dialogue with the Latin American countries

Does the Council not consider that in any future dialogue with the Latin American countries (GRULA) the latter should be allowed to select their own participants, and that such a dialogue must not be influenced by the Community's overt objection to Cuba's membership, in view of its willingness to conclude an agreement with a country such as Brazil.

*Answer*

While the Community is not concerned with the composition of the group of ambassadors from the Latin American countries in Brussels, it is concerned with the composition of the dialogue.

The Community is prepared to continue the dialogue between, on the one hand, the Permanent Representatives of the Member States and Commission representatives and, on the other, Heads of Missions of the Latin American countries accredited to the European Communities, which is not the case with Cuba. This will be in accordance with the new procedures recently established by common agreement with the aim of improving the effectiveness of the dialogue.

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*Question No 57, by Mrs Lizin (H-134/80)*

Subject: Conclusions to be drawn from the INFCE concerning the respective positions of Europe and the United States

Now that the Council has received the report on the nuclear fuel cycle evaluation (INFCE) and seen the conclusions drawn concerning the reprocessing of plutonium, the development of fast breeder reactors and the proposal to create an agency to manage fuel stocks, what does the Council infer from this report and what resulting change, if any, does it expect in the stance adopted by Europe and the United States on these issues?

*Answer*

Neither the report nor the conclusions referred to by the honourable Member have been officially forwarded to the Council.

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*Question No 58, by Mr Adam (H-136/80)*

Subject: Transport infrastructure fund

Will the Council state what progress is being made in their deliberations on the transport infrastructure fund and can it give Parliament an indication of when these deliberations will be concluded?

*Answer*

As I have already had the honour to state during Question Time on 16 April, before proceeding with the examination of this dossier the Council is first of all waiting for the European Parliament's

opinion on the proposal for a regulation on financial support as amended by the Commission on 4 March 1980. It is also waiting for the Commission report — which should be submitted to it shortly — on bottlenecks in transport infrastructures and on possible procedures for financial support and on the criteria for the assessment of projects of Community interest. Subject to the foregoing, the Italian Presidency would be only too pleased to get progress made in this matter and to achieve tangible results as soon as possible.

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*Question No 59, by Mr Sieglerschmidt (H-138/80)*

Subject: Participation by the European Parliament in the selection of members of the Court of Justice

In view of the moves towards enlargement of the Court of Justice, what steps could be envisaged by the Council to give the European Parliament a level of competence in the selection of members of the Court at least equivalent to that enjoyed by the Parliamentary Assembly of the Council of Europe in selecting members of the European Court of Human Rights?

*Question No 60, by Mr Glinne (H-139/80)*

Subject: Participation by the European Parliament in the appointment of members of the Court of Justice

How does the Council view the fact that, while members of the European Court of Human Rights are elected by the Parliamentary Assembly of the Council of Europe acting on a proposal from the member governments, the European Parliament has no say at all in the appointment of members of the Court of Justice of the European Community?

*Joint answer*

Article 167 of the EEC Treaty and the corresponding articles of the ECSC and EAEC Treaties lay down that Judges and Advocates-General shall be appointed by 'common accord' of the Governments of the Member States. Thus, contrary to the European Convention on Human Rights, the Treaties establishing the European Communities do not provide for any participation by the Parliament in the appointment of members of the Court of Justice.

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*Question No 61, by Mr Ippolito (H-144/80)*

Subject: Meeting at ministerial level between the Community Member States and the Latin American countries

What steps have been taken by the Council of Ministers following the request, unanimously approved on 20 November 1979 by all the Latin American countries represented in the Italian-Latin American Institute in Rome, for a meeting at ministerial level between the Community Member States and the Latin American countries?

If difficulties exist, what are they and what steps have been and will be taken to overcome them?

*Answer*

The Council has not yet been required to discuss the move by the Latin American ambassadors of the IILA (Italian-Latin American Institute) to organize a meeting at ministerial level between the Latin American countries of the SELA (Latin American Economic System) and the Community countries. The question is still under study within the Permanent Representatives' Committee and the political cooperation framework.

## 2. Questions to the Foreign Ministers

### Question No 66, by Mr Baillot (H-103/80)

Subject: Recognition of the PLO

More than a hundred states and a large number of international organizations now recognize the PLO. Do the Ministers not consider it essential for the Governments of the Nine to recognize the PLO as the sole legitimate representative of the Palestinian people?

#### Answer

The Nine have stated that Security Council Resolutions 242 and 338, together with the principles outlined on several occasions in Community statements, taken as a whole, set the essential framework for a peace settlement in the Middle East. In the view of the Nine it is necessary that they be accepted by all those involved — including the Palestine Liberation Organization — as the basis for negotiations of a comprehensive settlement in which all the parties will play their full part (Statement by Mr O'Kennedy, President-in-Office of the Council, to the United Nations on 25 September 1979).

With this statement the Nine wished to declare that the PLO is an important political factor with a view to the establishment of a just and lasting peace in the Middle East.

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### Question No 67, by Mr Lalor (H-121/80)

Subject: Afghanistan

Are the Foreign Ministers satisfied that they have considered every option open to the EEC which would help to resolve the totally unacceptable occupation by a foreign power of Afghanistan?

#### Answer

In the face of the international crisis which broke out during the last days of 1979 as a result of the Soviet military intervention in Afghanistan, members of the Nine first of all joined with 44 other countries in asking the United Nations to accept responsibility for dealing with the crisis and to convene a meeting of the Security Council.

Subsequently the Nine voted in favour of the resolution approved by a very large majority in the special session of the United Nations General Assembly, on 14 January, requesting the immediate withdrawal of foreign troops from Afghanistan and asking all countries to respect the sovereignty, independence, territorial integrity and political independence of Afghanistan, together with its non-aligned status, and to refrain from any interference in its internal affairs.

The declaration issued by the Nine in Brussels on 15 January referred back to this resolution and confirmed, first and foremost, the request for an immediate and unconditional withdrawal of Soviet troops.

The Nine's actions are based on the principle that the situation created by the Soviet military operation in Afghanistan is unacceptable and must be changed. With this in mind, they have endeavoured to convert this position of principle into concrete political and diplomatic measures. Certain economic measures were adopted following discussions by the Council of Foreign Ministers of the European Economic Community in Brussels on 15 January and 5 February 1980.

But, above all, and with a view to making a constructive contribution towards the efforts of the international community to find a solution in keeping with the resolution of the United Nations General Assembly, the Nine, acting through their Foreign Ministers put forward, on 19 February a proposal for an Afghanistan outside competition among the powers which can return to its traditional status of neutrality and non-alignment. This concept, which was greeted with interest by numerous Third World countries and, what is more, met with the approval of the ASEAN countries, was dealt with in depth at the European Council meeting of 27 and 28 April. On that occasion, the Nine stressed the importance for a political solution to the Afghan crisis of an undertaking by the major powers and by



Afghanistan's neighbours to respect the sovereignty and integrity of Afghanistan, not to interfere in its internal affairs and to refrain from any military association with it and any military presence on its soil.

The Nine also stated that there was nothing rigid or exclusive about their proposals and that they were prepared to support, in concert with friendly and allied countries, any other initiative to bring about such a solution. They are convinced that the Islamic and non-aligned countries have a particularly important part to play in this connection.

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*Question No 68, by Mr Schwartzberg (H-129/80)*

Subject: The European Community and the Moscow Olympic Games

Do the Foreign Ministers now intend to state the Nine's clear common position on the problem posed by the organization of the Olympic Games in Moscow following Soviet military intervention in Afghanistan and the many repressive measures against dissidents, including Professor Andrei Sakharov?

*Answer*

The independence of the national Olympic committees has been acknowledged by the Governments of the Nine in each Member State and has been the guiding principle in their response to the problems of the decisions to be taken by these committees on the question of participation in the Moscow games.

On the basis of this common stance, a number of Governments have drawn their national committee's attention to the seriousness of events in Afghanistan, while others have also drawn attention to the measures taken last February by the Soviet authorities against Professor Sakharov and other dissidents. The national committees have been advised not to accept the invitation to take part in the Moscow games.

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*Question No 69, by Mr Kavanagh (H-147/80)*

Subject: Situation in South Lebanon

In view of the increasing seriousness of the situation in South Lebanon, where Irish members of the UNIFIL have been murdered by the Hassad forces, what can the Foreign Ministers meeting in political cooperation do, in order to persuade the Israeli Government to cease its support for the Hassad forces, and to help towards the restoration of peace and the legitimate authority of the Lebanese Government?

*Answer*

Recent events concerning Unifil were considered by the Foreign Ministers at their meeting in Luxembourg on 22 April. They expressed their profound indignation at the recent murders of members of the peacekeeping force, and referring to their statement of 11 September 1979 they reiterated their support for Lebanon's sovereignty and territorial integrity and called on all parties to do their utmost to assist Unifil in its tasks. They expressed deep concern over continued attacks against Unifil troops, installations and equipment.

The European Council in its statement of 28 April condemned the acts of violence against Unifil in south Lebanon and demanded that they should cease immediately, and that the force be permitted to carry out in full its mandate from the Security Council.

When presenting the statement indicating the Nine's position to the Israeli Government, the Ambassador of the Presidency in Tel Aviv took the opportunity of stressing the seriousness of the situation which had dictated this position. He also expressed concern over the level of assistance provided by the Israeli Government to Major Haddad's militia.

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IN THE CHAIR: MR MØLLER  
Vice-President

(The sitting was opened at 10 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. *Referral to committee*

**President.** — Contrary to what was announced on 14 April 1980, the motion for a resolution (Doc. 1-58/80) by Mr Romualdi and others on subsidence in Ravenna

has been referred to the Committee on the Environment, Public Health and Consumer Protection as the committee responsible and to the Committee on Budgets for an opinion.

3. *Documents received*

**President.** — I have received from the Council, from Members and from the parliamentary committees a number of documents, details of which will be found in the minutes of proceedings of today's sitting.

4. *Decision on urgency*

**President.** — The first item on the agenda is the decision on the urgency of the motion for a resolution (Doc. 1-187/80) by Mr Seal and others: Situation in South Korea.

I call Mr Seal.

**Mr Seal.** — I will be very brief, Mr President. The content of this motion for a resolution is self-explanatory.

Seal

tory, I am sure that no one in this Parliament can approve the events that have occurred in South Korea.

It has taken a while for us to get this resolution to Parliament because of the technical procedures involved in going to political groups, but this does not mean that it is not a matter of great urgency. It is one area, Mr President, where this Parliament can have some impact because trade between the EEC and South Korea takes account of the decisions of this Parliament.

But if are going to be effective we must be positive and quick. Unless we have urgent debate, this matter will go to the end of the queue of motions for the Political Affairs Committee as did the one on Pakistan, which after three months still has not been considered by that committee. Our chance to have some influence on the President of South Korea will then have been lost.

It does not need a long debate tomorrow, Mr President. It could be a quick one; we could reach a quick unanimous decision. I hope that the House will support the request for urgency on this very important matter.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I am against urgency, for the simple reason that I have no text here, and I think the same goes for everyone else. I am quite prepared to vote for a text which is not controversial, as Mr Seal claims. I am not able to express any opinion, however, because I do not have the text.

**President.** — Mr Bangemann, the text has been distributed.

I call Mr Lomas.

**Mr Lomas.** — Mr President, I should like to speak very briefly in support of this request for urgent debate. I am sure that most people in this chamber, even if one or two have not actually seen the motion — and I know it has been circulated, because I have seen it myself — have read in the newspapers this week of the arrest in South Korea of leaders of the opposition party and many other citizens and the taking over of the country's affairs by the military. I quite agree with my colleague Mr Seal that we can exert some influence here, since there is considerable trade between the EEC countries and South Korea, and I would urge this Parliament to accept this request for urgent debate so that our voice can be heard on this very serious matter.

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

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

##### 5. Decision on request for an early vote

**President.** — The next item is the decision on the request for an early vote on *three motions for resolutions (Docs. 1-175/80, 1-183/80 and 1-186/80): Need for rapid adoption of budget after the meeting of the European Council.*

Since these motions deal with the same subject, I propose that we take a single vote.

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

**Mr Nord.** — (NL) Mr President, our group is going to vote in favour of urgency for this motion by the Committee on Budgets and as a logical consequence we shall be voting against urgency in the case of the other two motions. We endeavoured to get all the groups to agree on a text by the Committee on Budgets and this has been achieved. It is the opinion of our group that those who contributed to this need to be consistent and vote against the urgency of other motions on the same subject. We shall therefore be voting in favour of urgency for the motion which Mr Dankert has tabled on behalf of the Committee on Budgets and against the urgency of the two other motions which deal with the same subject and which in our view should not be considered by the House.

**President.** — I call Mr Lange.

**Mr Lange, Chairman of the Committee on Budgets.** — (D) If I may, Mr Nord, I should like to make a proposal which is contrary to yours. On behalf of the Committee on Budgets I propose that we have a separate vote instead of a single vote, because otherwise we are not going to get any clear idea of the mood of the House.

**President.** — I call Mr Baillot.

**Mr Baillot.** — (F) I should like a separate vote as well, Mr President.

**President.** — We shall therefore vote separately on the three requests for an early vote.

I put to the vote the request for an early vote on the *Dankert motion for a resolution (Doc. 1-175/80).*

The request for an early vote is adopted.

**President**

The motion for a resolution will 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 *motion for a resolution (Doc. 1-183/80) by Mr Maffre-Baugé and others.*

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

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**President.** — I put to the vote the request for an early vote on the *motion for a resolution (Doc. 1-186/80) by Mr de la Malène and others.*

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

I call Mr Glinne on a point of order.

**Mr Glinne.** — (F) I have an appeal to make, Mr President. I want you to ask everyone in Parliament to adhere strictly to the speaking time which has been allotted to each of the debates. I am making this plea so that Item 86 on the agenda — the Radoux report on relations between the Community and Yugoslavia — will not have to be deferred again. We have been waiting for this debate since Tuesday and it really is causing a great deal of nuisance.

**President.** — I propose that speaking time be adhered to as strictly as possible.

I call Mr Vergeer.

**Mr Vergeer.** — (NL) A request, Mr President. We have got ourselves into a mess over the agendas of Tuesday and Wednesday and I should like to ask your permission for the groups to decide themselves on the allocation of the time available for today's debates. We have run over our allotted time somewhat and apart from the important debate on Yugoslavia my group has no more time left. We want more time, but we want to allocate it ourselves.

**President.** — Mr Vergeer, this is a matter for the groups to settle. If the groups succeed in getting some of their speakers dropped or if they make their

speeches shorter so that we can get through the agenda, this will certainly not meet with any objections from the Chair.

I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, this would mean that the culprits would be getting a pat on the back as their reward. I cannot accept this. Allow me to make another proposal which is perhaps fairer. Each group can have some of the time available today for their Members to say something on the Radoux report, but I cannot agree to the groups who used up all their speaking time yesterday, and even went over it, getting a bit extra today. I ask you to act in accordance with yesterday's minutes and ensure that no one who used up his time yesterday gets any more today and instead, if he wants to take part in the debate on the Radoux report, uses some of today's speaking time...

(Interruption: 'That is what I was proposing!')

... Very well, if that is what your proposal was, it is a fair one. I thought it was unfair, but if that is what you meant, we can proceed like that.

**President.** — I propose that all the speakers keep to their allotted time. It would be unfortunate for the groups if any of their Members spoke for too long.

#### 6. Increase in oil prices (continuation)

**President.** — The next item is the continuation of the debate on the Balfour report (Doc. 1-61/80) on the increase in oil prices.

I call Mr Seligman to speak on behalf of the European Democratic Group.

**Mr Seligman.** — Mr President, I shall certainly use much less than my allotted speaking time. This debate that we are now resuming deals with the vital matter of the Rotterdam spot market for oil and the effect it has on inflation. I would like to point out I am speaking on my own behalf and not on behalf of any committee, because we have not had time to discuss it.

I congratulate my friend Mr Balfour on a most penetrating and informative report on the motion for a resolution by Mr Debré and others which was drawn up many months ago, in 1979. The urgency of the spot market problem is as great now as it ever was then. I understand that the Platt oil price index on the Rotterdam spot market has gone up by 23 % since the beginning of April, only seven weeks ago. And as a result of this Algeria has now increased its oil price by over \$38 a barrel for topgrade oil. Now the oil price stampede

**Seligman**

shows no signs of abating. There is no doubt that the volatility of the spot market has accentuated price swings. Since the spot market only deals with a small percentage of the market, small changes in supply and demand have a big effect on swings in price. In my opinion the spot market should therefore be larger and it should be better organized. It would then be less sensitive to small fluctuations in supply and demand. For this reason I ask that a properly organized market in oil futures should be encouraged by the Community. This would contribute greatly to stability and would stop panic buying. Users could cover their essential forward requirements by paying a premium in order to be insured against oil shortages and currency fluctuations. Mr Schmid spoke on Tuesday and said that the spot market was a black market. I disagree entirely. You only get black markets when you have controls or rationing. I favour free enterprise, not more controls. But changes to the spot market would really be dealing with the symptom and not the fundamental cause.

The fundamental cause of a wild rise in oil prices is the fact that the world is still using oil as if it was in unlimited supply. To stem this stampede Mr Balfour has called, in paragraph 15 of his resolution, for a common energy policy to reduce dependence on oil imports, to increase energy conservation, and to develop alternative energies. He is absolutely right, but he has left out one important measure. In his explanatory statement, he refers to the damaging effect on oil prices of differing duties and taxation systems in Member States. The different prices which result from this cause different levels of demand for oil and generally distort the market. I therefore propose an addition to paragraph 15, calling for harmonization of fiscal policies of member nations for petroleum products. Finally, Mr President, I am glad that Mr Balfour has called for a single energy or oil import tax for the whole Community. This is now being examined by the Commission and will definitely help to establish a Community energy policy which is indispensable if we are to achieve economic recovery.

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

**Mr Leonardi.** — (*I*) Mr President, I get the impression that the rapporteur is equating considerations relating to the price of oil and energy policy requirements with specific comments relating to the so-called spot market of Rotterdam.

We cannot agree with certain of the comments made on the first batch of problems, particularly the need for an energy policy, even though we do not understand the implications of point 6 of his motion for a resolution where the rapporteur states the obvious and points out that the price of petroleum products to the consumer can also be strongly influenced by differing government fiscal policies. We have always stressed the

need to avoid any confusion whatever between the price of oil imported by the vast majority of the Member States of the Community — this price being imposed by the oil-producing countries and by the major oil companies — and the fiscal policies of our countries. The former is a price dictated from the outside, while the second factor reflects a national choice made in the freedom which we still enjoy within our political system and which we must uphold in all areas, including that of fiscal policy.

We oppose Mr Balfour's motion for a resolution above all because of its attitude to the Rotterdam market which is held therein to be a good market in that it fulfils a role by balancing supply and demand at the margin. I would simply like to point out that any market fulfils this role. The question is how this balance, i.e. the price, is reached; in other words, on what basis do buyers and sellers deal and is it one of equality or not? The price will differ according to the answer to that question. For certain types of special products and in certain circumstances, Rotterdam has admittedly performed a useful market role, as the rapporteur points out in point 9 of his motion for a resolution. Nevertheless, I should like to point out that in recent supply crises, when the prospective customer had an urgent need to buy, the seller — oil-producing country and oil company alike — had no need whatever to sell in a hurry since he could afford to wait and see how things went. The price was therefore dictated by the latter, who took full advantage of their wilfully contrived position of strength by generating shortages and using various pretexts to subsequently suspend supplies to the weaker consumers, the aim being to push oil prices up not only on the Rotterdam market but on all the other spot markets and the end result being to push up all other market prices. This is therefore a market which is highly manipulated by the producer and the big companies.

The prices of certain petroleum products, of which there happened to be a glut, have sometimes been lower than the norm on the Rotterdam market and this helped the sale of these products. But this is only one side of the Rotterdam market and its overriding feature is that prices there are way above other prices and that these prices are subsequently used to justify the triggering of a general price explosion.

We would be only too pleased if Rotterdam were a good market because the Community is a major consumer and needs such a market. Moreover, if it were a good market, this would mean that the EEC, as one of the biggest consumers of imported petroleum products, would at last have found a common energy policy which would enable it to face the producers and the big companies — which have somehow or other managed to adopt a concerted approach — on a virtually equal footing. This is not unfortunately the case. Mr Balfour himself recognizes and quite rightly deplores the fact that we have no common energy policy and this puts us in a particularly weak position.

We shall therefore be voting against the motion for a

**Leonardi**

resolution, not so much because Rotterdam is a market, but because it is a bad market the dealings of which the Commission ought to report on in this House as it did — or at least tried to do — years ago on the manoeuvres of the big oil companies during the major crisis of 1973.

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

**Mr Calvez.** — (*F*) Mr President, the Liberal and Democratic Group approves the subject matter of the report on the increase in oil prices, presented by our colleague Mr Balfour. Although so called spot markets, including Rotterdam, only account for a small percentage of total consumption of refined petroleum products, they have played an important role, not in itself reprehensible, by balancing supply and demand in order to ensure supplies for independent companies, sometimes on more favourable conditions than on national markets. It is quite normal that this should lead to price fluctuations. It is true that the speculative element has not always been absent from such deals but this is not peculiar to the petroleum industry alone. Shipments have changed hands and price before arriving at their final consignee. Quotations are made by way of the press, using procedures which leave considerable scope for distortions. It is time to put a stop to speculation. The steps taken by the Commission to ensure greater transparency of the petroleum market and more complete information on abnormally high spot market prices form the basis for a series of measures designed to improve the present situation. However, in my opinion, it is essential also to emphasize the need for the rapid transmission of data on spot market purchases, because any delay in collecting such information is damaging to the effective functioning of the system introduced by the Commission.

The Liberal and Democratic Group also supports the rapporteur's proposal on the implementation of common energy policies. Now that we have the Common Agricultural Policy, is it not time to lay the foundations for a Community energy policy? The Balfour report stresses that the price of petroleum products to the consumer can be greatly influenced by differing national fiscal policies. It should not be forgotten either that certain categories of consumer enjoy tax reductions. Can the Commission tell us what the situation is as regards harmonization of excise duties in the Community and whether progress is being made? Finally, if, as is mentioned in the Balfour report, the Commission is looking at the possibility of some form of energy tax which would lead directly to a new increase in the cost of energy I should like to be informed of its intentions as rapidly as possible.

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

**Mr Deleau.** — (*F*) Mr President, ladies and gentlemen, I have relatively little time in which to speak and so cannot outline in full my Group's opinion on Mr Balfour's report. Nonetheless I should like to point out some essential elements, some basic truths.

It cannot be repeated often enough that the increase in energy prices has thrown traditional concepts of inflation and economic growth into total disarray and that solutions must now be sought bearing in mind that since 1979 oil price increases have been higher on the spot market than on internal markets. We have already drawn the attention of the House to the manner in which the Rotterdam spot market operates and have requested the Community institutions to lay down rules governing its operation, so as to avoid the constant speculation which several OPEC countries have used as a pretext, as an argument for increasing their selling prices. Controls should now be introduced, and while I am not an advocate of unrestrained *dirigisme*, I do support adequate controls to contain speculative and excessive price rises.

It is on this point that Mr Balfour's report appears inadequate to us, and my Group is proposing three amendments to increase its scope and in particular to indicate the line which the European Economic Community should adopt.

**President.** — I call Mr Bonde for a procedural motion.

**Mr Bonde.** — (*DK*) Mr President, I am taking the floor pursuant to Rule 26(2) to request that Mr Balfour's report be referred back to the Committee on Economic and Monetary Affairs. The subject-matter of the report — as featured so prominently on its frontispiece — is the increase in oil prices, but the report does not contain any information which cannot be found in the press. All it contains is a series of platitudes, and no attempt is made at an analysis which could throw new light on the oil price rises which have plagued our society since 1974. I miss, for example, details of a comparison of the high oil price increases with the price increases for all other commodity groups. What is the relationship between what oil producing countries receive for their products and the increased prices which industrialized countries receive for their industrial products? How have prices developed over a longer period? These details are necessary if the Balfour report is not merely to add fuel to the fire, or rather add to the widespread misconception that the oil price rises are the cause of all our ills.

I also miss detailed information on how much of the oil price rises in recent years has gone to the producer countries and how much has gone in taxes and duties and in increased profits for the Seven Sisters. Mr President, I do not think it is proper to draw up a report on the increase in oil prices which does not contain this information in more detailed form and I therefore



**Bonde**

request that the report be referred back to committee. The members of the People's Movement do not want a Community energy policy, and should such a proposal nevertheless be put to the vote, we will vote against it.

**President.** — Mr Bonde, we should complete the list of speakers before voting on your proposal. I call Mr Herman.

**Mr Herman.** — (F) To oblige Mr Glinne who asked us to be very brief and since Mr Müller-Herman has expressed most of what my Group wished to say on this question, I shall limit myself to two brief considerations.

Firstly, I should like to stress that the increases in oil prices are now placing such a burden on the Community's overall economic resources as gravely to handicap our growth efforts. This fact has not been emphasized sufficiently in the course of this discussions.

In the long term, the role of the spot market is not of great importance, even though there can be temporary distortions which can sometimes become quite substantial when aggravated by speculation. Undoubtedly it would be useful to increase the transparency of the spot market, but any measure designed to regulate it more effectively would only lead to markets being set up elsewhere in the world, which would operate much less satisfactorily and would undoubtedly be used as a reference for contracts, with exactly the same effects as those we deplore today at Rotterdam.

What we have to insist upon is that the Community must make a much more determined effort than heretofore to break free from this dependence on oil. We need refer only to what we have already said, in the Fuchs report, in the various reports on energy savings already discussed in the House in the Linde report, etc. Hence it is absolutely necessary to concentrate as soon as possible on reducing our dependence on oil by means of a nuclear policy, by reducing consumption and by the search for alternative forms of energy.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I recognize that the necessary brevity of the speeches and the very limited time available for this debate do an injustice to the interest which the House shows in this subject. It is, of course, an extremely important subject and one on which the Commission has laid great emphasis in the past.

We would like to congratulate Mr Balfour on the outstanding quality of his report. I would just like to make a few points, which will necessarily be brief, about the already agreed or future policy.

First, Amendment No 11 tabled by Mrs Charzat and

Mr Schmid on the failure by the industrialized countries to comply with the Tokyo Summit commitments does not reflect the efforts made by those countries to curb energy consumption. It was agreed that for the period 1980 to 1985 the EEC would restrict its oil imports to the 1978 level. Initial figures show that these objectives will be reached. It was also agreed to introduce registration of all oil imports. This has been done since 1 January 1980.

Amendments 8 and 9 tabled by Mrs Charzat and Mr Schmid call on the Commission to draw up rules for the spot markets. In this connection I would like to point out that even before, but more particularly after, the events in Iran the Commission started a series of actions to increase the transparency of the oil markets. This is reflected in the registration of oil imports already referred to, the analysis of the European spot markets, and the feasibility study on the setting up of an oil exchange.

The results of these studies will be published shortly and will provide a practical basis for our future reflections. I would, however, stress that any possible action has to take full account of economic realities. At this stage the Commission seriously doubts that a perfectionist oil market organization can make a positive contribution to the problems we are facing today.

There is one other point, Mr President, that I would like to make arising out of the debate. It concerns the very straightforward question put to me by Mr Calvez about the Commission's intentions with regard to oil taxes. In response, I would say that the question is premature at this stage. The first task is to see what role a Community policy can and should play. The second is to see what role Community financing might have. After those two tasks have been completed, one might then examine how the money should actually be raised. So the questions as he put it is rather ahead of its time at the moment.

**President.** — I call Mr Balfour.

**Mr Balfour, rapporteur.** — I would point out to Mr Bonde that this motion has been before Parliament and the committee responsible since 24 October of last year. It is intended to be a topical subject, although it is ridiculous to claim at this stage that it still is.

I would also point out that in our committee, which was properly constituted as the committee to study this subject, a vote was taken. The result was 10 in favour and 1 against, with 1 abstention. As rapporteur, I would therefore firmly reject the suggestion that it be referred back to the committee. I do not believe that the gentleman who made the suggestion attended a single meeting of the committee and I do not therefore feel that he is entitled to say that it is merely a collection of generalities.

I would like to thank those who spoke in favour of the

**Balfour**

report: my colleagues Mr Müller-Herman, Mr Seligman, Mr Calvez, Mr Herman and Mr Deleau. I would also like to refer very briefly to the confusion that appears to exist in the minds of some of our Socialist colleagues, especially those who claim to speak on behalf of the Committee on Energy and Research. It is rather sad that members of that committee should find it so difficult to distinguish between the spot market for crude, which is an international market that is not localized in any regional sense, and the spot market for petroleum products to which this motion refers

Mr Leonardi, I have tried over many months to demonstrate the impossibility of improving a market which he sees as imperfect. Markets of their very nature are imperfect things, I believe that the road ahead is a combination of trying to find out more about it, getting better information and in this regard I warmly welcome what Mr Tugendhat said about the Commission's current reports and investigations.

Lastly, I would leave the House with the following thought: if what we are trying to do is to improve our negotiating clout as a consumer community *vis-à-vis* the nations producing crude petroleum and petroleum products, we must have an energy policy and greater political cooperation — nothing less.

(Applause)

**President.** — I put to the vote Mr Bonde's request to refer the report back to committee.

The request is rejected.

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

*7. Statements by Council and Commission on the European Council of 27 and 28 April 1980 — Need for rapid adoption of budget (continuation)*

**President.** — The next item is the continuation of the joint debate on the Council and Commission statements on the European Council meeting in Luxembourg and on the oral question with debate by Mr Fanti and Mr Ansart on the need to adopt the budget rapidly after the European Council meeting.

I call Mr Martin.

**Mr Martin.** — (F) Mr President, first of all let me protest strongly at your refusal to allow me to take the floor earlier on to explain the importance of Parliament's vote on our resolution on agricultural prices.

This refusal clearly reveals the difficulty which the majority of this House is experiencing in expressing a

coherent opinion on agricultural prices. Rest assured, however, Mr President, ladies and gentlemen, that the French Communists and Allies will always see to it that this Parliament faces up to its responsibilities.

The European Parliament has no choice in the matter. Confronted as you are today, ladies and gentlemen, with deep-seated discontent among farming communities and with widespread and determined organized struggles, you are being forced to face up to your responsibilities. Will you stand by and see farmers' purchasing power decline yet again in the marketing year ahead? Can there be anybody in this House who still considers that the farmers are wrong to demand that their purchasing power be safeguarded? Are you at last going to decide to give farmers the resources they need to produce, invest and acquire the means to build up a prosperous and dynamic agricultural sector, as provided for in the Treaty of Rome?

In France production costs have increased to such an extent that farmers find themselves plunging increasingly and alarmingly into debt. They are no longer able to do things which are necessary for their production, such as investment in agricultural machinery. The position being upheld by the Commission, by the French Government and by the majority of this House is having grave consequences. French agriculture is becoming impoverished by this Malthusian policy which has led to the rural depopulation and to unemployment and ruin for millions of farmers. The Community and the national governments must take a logical, reasonable decision consistent with the needs of agriculture. As our resolution proposes, agricultural prices must be fixed at a level commensurate with the increase in production costs and inflation in our countries. Once again the French Communists and Allies demand a 13 % increase in agricultural prices in France.

Ladies and gentlemen, who here would dare to say that this claim is not justified? Who would dare to assert that it is not urgently necessary to meet farmers' demands in our countries? The farmers have waited too long already. Does this Parliament again want to sacrifice common sense and necessity to political manoeuvrings?

And lastly it is our self-respect as elected representatives which is at stake. Ladies and gentlemen, face up to your responsibilities! As for us Communists, we will continue in this Parliament, as always, to be the staunch supporters of the farmers and workers of our country and the champions of France's national interests. Mr President, we have taken note of the vote this morning and we will not fail — you can be sure of that — to inform the farmers and their organizations, who are at present struggling for a fair increase in prices, that all the representatives of this Parliament, with the exception of the Communists and Allies, have once again rejected our proposal designed to meet the farmers' legitimate demands. We have faced up to our responsibility, ladies and gentlemen; now face up to

**Martin**

yours!

*(Applause from the Communist and Allies Group)*

**President.** — I call Mrs van den Heuvel to speak on behalf of the Socialist Group.

**Mrs van den Heuvel.** — *(NL)* Mr President, I must inform you that the Socialist Group has no intention of taking any further part in this debate under the present circumstances. The debate was introduced yesterday by two speeches, one by Mr Colombo and one by Mr Jenkins. We would have liked to have rounded off the debate with a speech on behalf of the Socialist Group containing a great many specific questions to Mr Colombo and Mr Jenkins. However, I see that neither of them is here to answer these questions. I think it is beneath the dignity of this Parliament to continue with this debate as if they were here and as if they took this Parliament seriously.

*(Applause)*

**President.** — I assume the Member of the Commission currently present in this House will inform Mr Jenkins of the point made by Mrs Van Den Heuvel.

I call Mr Dankert.

**Mr Dankert.** — *(NL)* I should like as rapporteur, to say a few words regarding the points made by the President of the Council and the Commissioner responsible for the budget and comment briefly on this debate.

Mr Colombo stated clearly, as President of the Council, that, in his view, what we need is a budget which includes the agricultural measures. Parliament, or at least the Committee on Budgets, wholeheartedly agrees with this point of view. The question, however, is whether, if the Council fails to reach agreement on prices before the end of May, a further delay in the budget will not aggravate still further the present chaotic situation in Europe. There is nothing the least bit strange about the Council submitting a draft budget which does not include farm prices. Indeed, under the normal procedure, we have not once had a budget in which farm prices were included as the budget had always been formally fixed before the farm prices had been negotiated. I agree entirely with those who have criticized this situation, particularly the British Conservatives, that it is sheer madness, but I do not see what is revolutionary about perpetuating this ridiculous situation for yet another year through the fault of the Council. I would have thought that what has been suggested would be in the interests of Europe and the cohesion of the Community under the current critical circumstances. I should like to point out, however, in reply to remarks which have been made during this

debate, that this would in no way mean that, by virtue in particular of the viewpoint contained in paragraph 5 of the motion for a resolution, Parliament itself would be prejudging the issue as regards, for example, farm prices. This is not the case. All Parliament is asking is that the Council should include the financial implications of all Commission proposals, regardless of whether they concern regional policy or agricultural policy in its draft and that it should take no decisions as regards agriculture but, as always, regard the Commission's figures for agriculture as provisional until more definite decisions have been made regarding farm prices, which could then be submitted to Parliament in the form of a supplementary budget. This might even be a practical way of going about things, as it would permit Parliament to decide on the supplementary budget, which must contain the implications for agriculture, separately from the main body of the budget.

I should just like to make an observation regarding Mr Tugendhat's reaction to what I said previously, i.e. that in the budgetary field the rules were currently being applied in such a way in the Community that I was afraid that permanent damage might result. The Commission has said there was no question of this and that the Commission had remained entirely within the law. This is, of course, a question of interpretation, as in fact Mr Tugendhat himself admitted. However, widely differing interpretations of what can and cannot be done are currently being applied in the various institutions.

In the case of its own budget, Parliament differentiates between payment appropriations and commitment appropriations — a system which I feel is unacceptable. The Commission applies the same system as regards the advances on agricultural expenditure and takes as its basis an article in the Financial Regulation, which cannot possibly have been intended for this purpose. In other areas too, such as carry-over from one year to another and transfers within the budget, practices are coming to be used which, in my view, will have disastrous effects on the transparency of the budgetary procedure and transparency in the implementation of the Community Budget. In my view, in the current situation, which after all is one of crisis, certain things are being done which tend to set precedents and which might quite easily aggravate the crisis still further, and this is something against which I should like to sound a warning. I believe in fact that the opinions of the Commissioner and myself do not in fact differ very greatly in this respect.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I should like, with great respect, to make a point to Parliament about procedure before making my few brief remarks. I have listened with great attention to the criticisms by Mr Colla, Mrs Macciocchi

**Tugendhat**

and Mrs van den Heuvel of the fact that the President-in-Office and now President Jenkins are not here at the end of the debate. I myself have actually, I think, heard every speech made in the course of the debate, and I do not think that more than a very, very small proportion of the speakers are here to listen to the wind-up.

*(Applause)*

If one is to have a debate and if one is to have an exchange of views, then it is important that Members of Parliament, if I may say so, do not leave immediately after they have made their speeches rather than wait so that one can have an exchange of views, as, indeed, is the case between Mr Dankert and myself, Mr Dankert being here, of course, in person.

*(Applause)*

I think this is an important point if we are to get a proper debate and dialogue going. Now, clearly, there is very little time at our disposal. That is not the fault of the people here; it is not the fault of the Chair. In any case there is an element of unreality about winding up a debate, most of which took place the day before. I would like, therefore, to make just a very few points.

First of all, on the big general point, especially the big general point that concerns my own area of responsibility, I hope very much that the Council will have paid attention to Parliament's exhortations on the necessity, the desirability, of establishing a Community budget as soon as possible. I have nothing to add to what was said. The views of Parliament from all sides came through very clearly, and I hope that at the earliest opportunity we will be dealing with a substantive draft budget so that the Community can get, at least in this area, back on the rails and back to normal work.

As to the point that Mr Dankert raised, which I commented on and to which he has now returned, obviously we will have to pursue those matters elsewhere. I agree with him on the absolute necessity of observing the law, observing the Treaty, observing the Financial Regulation. We believe that we have done so, and that has been a central element in our argument. As he said, there are differences of interpretation, and clearly it is desirable that differences of interpretation should, if possible, be resolved. However I do assure the House that our contention is that we have observed the law and also that we have fulfilled our duty, as I explained yesterday, to try to keep the normal workings of the Community going for as long as possible in the present extremely difficult circumstances. There were three speeches which I would particularly like to remark on. Perhaps it will not surprise the House that I should refer first of all to the speech by the former President of the Commission, Mr Rey, in which he drew on his experience of previous difficulties in the Community and how they had been resolved. I hope very much that his words of wisdom will reach a wider audience than the quite large

number of people who listened to them at the time.

I was also, if I may say so, Mr President, very struck by your speech which was delivered to an almost empty House after 1.00 p.m. yesterday. You referred to the League of Nations and to the danger of maintaining the forms of an organization and an institution after the substance has departed. I think that was a very powerful and cogent warning which the Community would do well to heed.

Finally I would like to remark on the speech by Mr Spinelli, in which he talked about the Community marking time, if not going backwards, and the fact that if we were not to disappear altogether, it was very important that we should not only get a budget, which is after all a central aspect of our affairs, but that we should also return to the normal working and development of this Community as soon as possible. That theme, I felt, ran through the debate and brought the debate together, and the anxiety and the concern expressed in this House is certainly justified. I hope very much that other organs and institutions of the Community will heed this concern, as well as the fact that people of different nationalities and different political groups, certainly speaking with different voices and a different emphasis, but nonetheless people from all our countries and all the main political tendencies in the Community, were agreed on that point. I hope very much that the force of those arguments will be felt and that they will, in fact, achieve the results which they certainly in my view deserve.

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

**Mr De Goede.** — *(NL)* Mr President, I should like at the end of this debate to comment on the procedure. Mr Tugendhat is, of course, quite right to mention the fact that many Members are absent when the Commission or Council comes to reply to the points made in the debate. However, the other side of the coin — at least in my own and many other people's experience — is that we do not bother to do more than make a statement because we know that we are hardly likely to get specific replies to our questions and comments.

May I give you two examples, Mr Tugendhat? Many speakers yesterday asked for a reaction to the question as to why the agricultural prices are not fixed by the Eight? No answer has been forthcoming, either from the Council or from the Commission. Many speakers asked for a reaction from the Council and Commission to the question as to whether Parliament will be involved in the appointing of the new Commission. If then a debate is conducted in such a way that specific and important questions are not answered, it is no wonder many Members are absent when the Commission is speaking. I can assure you, however, that a lot more Members would be present if they could expect to receive answers or reactions to their questions and comments.

*(Applause)*

**President.** — I would as the representative of the Council to convey the message that it is Parliament's wish that these negotiations be conducted in such a way that there is a genuine dialogue between the various institutions of the Community.

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

#### 8. *Verification of credentials*

**President.** — At its meeting this morning the Bureau examined the mandates of Mr Israel, Mr Deschamps and Mr De Gucht, whose nominations were announced earlier. Pursuant to Rule 3(1) of the Rules of Procedure, the Bureau found that these mandates were in accordance with the provisions of the Treaties.

I propose that these mandates be ratified.

Since there are no objections, that is agreed.

#### 9. *EEC-Yugoslavia Cooperation Agreement*

**President.** — The next item is the debate on the report (Doc. 1-165/80), drawn up by Mr Radoux on behalf of the Committee on External Economic Relations, on the

proposal from the Commission to the Council (Doc. 1-164/80) on the Cooperation Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia and the interim agreements.

I call Mr Radoux.

**Mr Radoux, rapporteur.** — (F) Mr President, ladies and gentlemen, I shall introduce this report by thanking those who helped in having it approved by the committee: Lord Catherwood, Chairman of the Committee on External Economic Relations, all the members of the committee, and Mr Bettiza, Chairman of the EEC/Yugoslavia parliamentary delegation.

As you know, there had been a trade agreement between that country and our Community. The origin of the new agreement whose main features and content differ considerably from those previously governing relations between the two parties, lies in a joint declaration signed in Belgrade in December 1976 by the President of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia and by the President-in-Office of the Council of the European Communities and a member of the Commission. Under the said declaration, it was agreed that all practical means would be sought to implement cooperation on the basis of the increasing independence and complementarity of the economies of the two parties

for purposes of interests reasonably considered as mutual. The negotiations which began in earnest early in 1978 led to the signing of the Cooperation Agreement on 2 April 1980. What is the substance of this new agreement? First its main features, and then its content. It is an agreement *sui generis*. Its originality lies in the fact that, while being based on the preferential agreements concluded by the Community with various countries under the general Mediterranean policy, it takes account of the special international position of Yugoslavia, which is a non-aligned, European, Mediterranean State, as well as a member of the group of 77 developing countries. Its main features are as follows: first, its duration is unlimited, which confirms the resolve of both sides to lay a solid foundation for their cooperation by making their relations essentially irreversible. Second, the cooperation is overall, i.e. it covers a wide range of fields. Third, an institution known as the Cooperation Council has been set up and will meet at least once a year.

With regard to the content of the agreement, emphasis should first of all be laid on the economic and technical cooperation which is designed to contribute to the development of Yugoslavia by supplementing that country's own efforts and to be as far-reaching as possible in the interest of both parties. It covers energy, industrial, scientific and technological cooperation, agriculture, transport, tourism, the environment, fisheries and finance. Financial cooperation: the Commission will participate in the financing of projects designed to contribute to the economic development of Yugoslavia and which are of mutual interest to both that country and the Community. During an initial five-year period, an amount of 200 million EUA can be committed by the European Investment Bank from its own resources for this purpose and earmarked primarily for road infrastructures and electricity supply. This operation should later help attract our partners to the Community's capital market, especially through a regular exchange of information between the economic services of the Yugoslav plan and those of the Commission. Furthermore, the Yugoslavian industrialization clause in the agreement allows for development in the Community's participation in the economic policies of that country.

As regards trade, the aim is to gradually abolish, in stages, the barriers to trade. The agreement provides for the first of these stages for which a period of five years has also been fixed. It will begin on 1 July 1980, concurrently with the implementation of the financial cooperation. Industrial products originating in Yugoslavia will, on the whole, be eligible for duty-free importation into the Community and will not be subject to any quantitative import restriction. However, certain industrial products, particularly certain textile products, will be subject to a system of tariff ceilings, on the understanding that the agreement does not affect the provisions of the textile trade agreement signed by Yugoslavia and the Community under the Arrangement Regarding International Trade in Textiles. The agreement also provides the Commu-

**Radoux**

nity with the possibility of referring to the Cooperation Council in order to determine any conditions of access to its market which might prove necessary for products which it deems to be sensitive. In agriculture, selective tariff concessions are laid down for products originating in Yugoslavia. With regard to products originating in the free zone introduced by the agreements signed at Osimo, it is stipulated that the Community and Yugoslavia will grant them free access to their market. I would remind you that the Osimo agreements concluded between Italy and Yugoslavia established a free frontier-zone and provide for economic cooperation activities. The said agreements were endorsed by the Community. Lastly, Yugoslavia, for its part, grants the Community most-favoured-nation treatment in the field of trade.

Fourth consideration: social provisions. It is laid down that Yugoslav workers employed in the territory of each of the Member States shall be free from any discrimination based on nationality as regards working conditions or pay. The provisions further express the readiness of the Member States to hold discussions with the Yugoslav authorities on the position of Yugoslav labour.

The last point on which I wish to lay particular emphasis is institutions. The agreement provides for a Cooperation Council comprising representatives of Yugoslavia and representatives of the Community and its Member States. The said Council shall be responsible for seeking ways and means of establishing cooperation in the areas defined in the agreement, and for ensuring its proper functioning in a spirit of understanding. We can unmistakably say that this Council is in fact the administrative body of the agreement. Much will therefore depend on its Members' efforts and on their ability to make use of the entire potential of the Agreement.

Mr President, ladies and gentlemen, this new overall cooperation agreement between Yugoslavia and our Community, as well as the motion submitted for your approval, are indicative of what can be done in Europe to abide by the commitments in that chapter of the Final Act of the Helsinki Conference dealing with cooperation among the 35 signatories to the Act. Our resolution was unanimously adopted by the Committee on External Economic Relations, undoubtedly because its members realized that the agreement submitted for their approval is an instrument which our Community can consider as one of the best achievements of its external economic policy. This document forms part of what can be regarded as an overall policy.

I hereby call upon the Members of this Assembly to cast an overwhelming majority vote, if not a unanimous vote. I also request them to press, in their national parliaments, for the quickest possible ratification procedure, so that parliamentarians in all the Member States can share the satisfaction of contributing to the prompt implementation of close cooperation

with one of the most important countries in the south-east of our continent. These new ties, which I regard as exceptional, with Yugoslavia are, in terms of our Community, a success for the Commission, Council and governments of Member States. It is now up to Parliament to give its opinion on this agreement and to pay particular attention to its implementation by the institutions I described a moment ago. I feel sure that, all together, we shall achieve this. We shall be attentive, we shall be vigilant, we shall pay particular attention to the proper use of the funds made available by the European Investment Bank, so as to contribute as effectively as possible to cooperation in the economic and financial aspects of the industrialization of Yugoslavia. Thank you for your attention.

**President.** — I call Mrs Wieczorek-Zeul to speak on behalf of the Socialist Group.

**Mrs Wieczorek-Zeul.** — (*D*) Ladies and gentlemen, my Group welcomes this cooperation agreement between the European Community and the Socialist Federal Republic of Yugoslavia and supports, by a large majority, the report submitted by Mr Radoux. I should like to join with him in asking you to give a broad measure of support to this report and not allow certain regional aspects to divert your attention from the really important function of an agreement like this.

I should like to mention just a few of the many reasons for concluding the agreement in this form. At a time when the super-powers are once again trying to divide the non-aligned countries and the developing countries into opposing political and military spheres of influence just as in the old days of the Cold War, I think that by concluding this agreement, the European Community is demonstrating in exemplary fashion that the only democratic way of working with these countries is by economic and political cooperation on an equal footing whatever form of association and whatever form of agreement may be chosen. We believe that particularly in the current critical international situation, the independence and the right of these countries to develop as they wish must be encouraged and guaranteed. That is what the European Community should be working towards, not a hectic, hurried attempt to incorporate an economic and social system like Yugoslavia's into a 'Western front' and to commit it to a particular line in international affairs. We must respect these countries' independence and their right to develop in their own way, as in the case of Yugoslavia as an example.

The same applies to Yugoslavia's domestic policy.

Bearing in mind the kind of people who will be speaking subsequently on behalf of other political groups, I should like to make it quite clear that Yugoslavia remains a non-capitalist, socialist country with worker participation a unique system which in our view deserves special support and protection.

**Wieczorek-Zeul**

Secondly, the agreement is not directed against other State-trading countries in Eastern Europe. That is also worth emphasizing. On the contrary, we believe that it fully accords with the spirit of the Final Act of the Conference on Security and Cooperation in Europe showing what opportunities there are for peaceful economic, social and political cooperation with other Eastern European countries in Comecon. We would very much welcome agreements of this kind.

Thirdly, we also — and particularly — welcome this agreement as a contribution towards improving the situation of the Yugoslavian economy and in particular the Yugoslavian balance of trade.

I should specifically like to draw your attention to the very welcome fact — that, in those areas in which national ratification is no longer necessary in other words, the financial protocol and the trade agreement — we can take practical action from 1 July without having to wait for the whole formal process of national ratification to be concluded.

There is one other point I think should be made with regard to the procedure adopted by the Commission for this agreement. I think I can say on behalf of my Group that — in view of the fact that these negotiations got under way as early as 1976 and were only brought to a conclusion as a result of recent development — we would be very glad if the European Community were in future to show more farsightedness more political vision in conducting such negotiations and concluding cooperation agreements, instead of having a decision forced on it by events.

Finally, I often got the impression — and we in the Committee on External Economic Relations followed the negotiations very closely — that these negotiations, which have been dragging on since 1976, often concentrated more on the import quotas for such things as baby beef than on the political aims of such an agreement. I think this is wrong and we should make it very plain that this should not happen in the future.

I should also like to make the point that the European Parliament's responsibilities will of course not end with today's vote on this agreement. As Mr Radoux said earlier, the European Parliament bears a certain responsibility for the future, for the further development of this agreement, and we must develop a joint strategy for such further development. In this respect, there are three points I should like to make.

Firstly, I believe — as Mr Radoux said very clearly — that we should keep a close watch on what policy is pursued by the two parties to the agreement in the Cooperation Council, that is what we should be concentrating our attention on, because it is this Cooperation Council which will, at intervals, be deciding on the further development of the agreement, commercial cooperation, on the application of protective clauses and also the question of the situation of

Yugoslav workers in the Member States of the European Community.

As regards this question of the situation of foreign, in this case Yugoslav, workers in our countries, I should like to point out that in delivering its opinion on this agreement, the European Parliament is effectively entering into more than a formal commitment and thus undertakes to make a real contribution towards ending discrimination and ensuring equal treatment for these workers throughout the European Community. That will be our duty. Again, following on from a point made by the rapporteur, the European Parliament has a second duty, which is to keep a very sharp eye on the work of the European Investment Bank with regard to the financial cooperation obligations, because the Investment Bank will after all be providing 200 million EUA over the next five years for practical projects in the interests of both parties to the agreement. As this will of course involve decisions on very important matters, I believe that we have a duty to supervise what goes on in this field. Finally, we should put some life into the Joint Parliamentary Committee of the European Parliament and the Socialist Federal Republic of Yugoslavia and use it as a means of exerting influence on the Cooperation Council. I would also suggest that presence of a representative of the European Parliament in this Cooperation Council would give us some chance of influencing and keeping an eye on its work.

Allow me finally to comment in a personal capacity on this kind of agreement, which I should like for a moment to consider independently of the present case, the agreement with Yugoslavia. Because of the importance of this agreement, the Committee on External Economic Relations deliberately refrained from discussing formal or procedural matters, but I should like to refer separately to such matters now because these questions will crop up again with every new cooperation and trade or similar agreement. As I said, these are my own personal views.

I believe it to be a very important point that sections of these agreements no longer need to be ratified by national parliaments, and it seems to me that what we have here in democratic terms is not so much a twilight zone as — and I say this without any political ulterior motive — what amounts almost to a blackout zone, with no Parliament lending any political legitimacy to the matter. I believe that this is an intolerable situation, and that this House must therefore try to be involved at a very early stage. I therefore believe that the procedure used hitherto — the so-called Luns-Westerterp Procedure, which was the original attempt to involve Parliament in such negotiations — will have to be radically changed in a number of ways. Let me mention two such points which arose in the course of the committee's deliberations. The Luns-Westerterp Procedure provides for the Commission to keep the committee informed of developments during negotiations on such agreements...

If I may, Mr President, I should like to point out that I

**Wieczorek-Zeul**

am also speaking now on behalf of Mr Ferri, who will not be speaking subsequently.

... Experience has shown there to be serious shortcomings in this Procedure. Let me just give you one example. The Luns-Westerterp Procedure which — as I was saying — provides for the Council finally to inform the Committee on External Economic Relations before an agreement is signed but after the conclusion of negotiations, may at the time have been a step forward compared with an earlier period when information was conspicuous by its absence, but it is of course inadequate now that we have a directly elected Parliament. I would point out that we now have the absurd situation whereby the Committee on External Economic Relations is sometimes less well informed by the Council than many other committees, in that during negotiations on the agreement with Yugoslavia the Council used this formal procedure as a pretext for refusing to make a statement to the committee.

This is intolerable and just goes to show how out-of-date certain procedures are and that they will simply have to be changed.

Secondly, I believe that what we need, at an early stage in the preparation of such agreements — at the stage when the Commission's recommendations are formulated — is for this House to hold a policy debate, and that a second such debate should be held before the Council submits its guidelines to the Commission, so that we can then influence the negotiations to be conducted by the Commission. Finally, I believe it is evident from a number of today's speeches that formal ratification is essential — especially of those sections which no longer need to be ratified by national Parliaments — and I think it is a matter of self-respect for this Parliament to get a suitable procedure accepted without delay. The Committee on External Economic Relations will be making suitable proposals.

Finally, ladies and gentlemen, let us not get lost in the minor details of this agreement. The important thing in this debate is to show the Socialist Federal Republic of Yugoslavia that we are prepared for cooperation on equal terms. Let us show by the way we deal with this subject and by our vote the importance we attach to an agreement of this nature.

(Applause)

**President.** — I call Mr van Aerssen to speak on behalf of the Group of the European People's Party (Christian Democratic Group).

**Mr van Aerssen.** — (D) Mr President, ladies and gentlemen, the Group of the European People's Party gives its full support to the Agreement concluded on 2 April and thanks Mr Radoux for his exhaustive report, which we also whole-heartedly support. In our view, by concluding this Agreement with Yugoslavia, our Community has made a bold and decisive step forward

and we also feel that in spite of the difficult situation in which the European Community currently finds itself, this Agreement nevertheless demonstrates that our Community is capable of action. The Commission has conducted exceptionally difficult negotiations — since Yugoslavia has a different economic system from that of the European Community — and the Council has also shown that it too can in fact take decisions when called upon. I should also like to thank the Commission for the fact that, as emerged from the deliberations in the Committee on External Economic Relations, institutional cooperation between the Commission Parliament and the competent Committee can be improved in a pragmatic fashion without amendment to the Treaty. We are determined to work together to go further in this direction.

To sum up once more, my Group takes the view that, with the conclusion of this Agreement, the Community has demonstrated its ability to act. We also feel that the significance of this Agreement will be twofold. On the one hand, the European Community will now come to play a key role in the economic development of Yugoslavia — which confers on us a very special responsibility — while on the other hand, by virtue of this new partnership with Yugoslavia, the European Community has also come considerably closer towards a cohesive Mediterranean policy, since this is not merely a cooperation agreement in the traditional sense, but a pilot project which goes far beyond what we normally understand by a cooperation agreement, and we have decided to regard this as an agreement *sui generis*. We should like to encourage the Commission to continue still further in this direction and do all it can to bring out the dynamic character of this agreement. Since the agreement concerns not only the traditional sectors of Economic cooperation, but is also aimed at overall cooperation with Yugoslavia, the Commission should make a most determined effort to promote this cooperation in the coming years.

It is, of course, extremely regrettable that this Agreement should be coming into effect at a time when one of Yugoslavia's most outstanding leaders has just died, and we should like to take this opportunity of expressing once more our deep sympathy and the wish that the people of Yugoslavia will continue in the direction indicated by Tito, i.e. that of national sovereignty and independence. We should like, for our part, to stress that we are prepared to do everything we can to enable Yugoslavia to continue in its independence, by virtue of which it occupies a leading position among the non-aligned countries.

We should like to stress once more what Mr Radoux has said, i.e. that the European Parliament should be represented on the Cooperation Council. Since this is a new programme and a new agreement, and since the Cooperation Council is the key to the further development of this Agreement, the European Parliament must be represented on this Council. I should like to say on behalf of my Group that I am extremely grateful that the head of the European Parliament delega-



van Aerssen

tion, Mr Bettiza, fully concurs with this view and has already expressed this opinion in the Committee. We realize that we are breaking new ground here. However, in order to ensure better dovetailing of the work of the European Parliament and the decisions of the Cooperation Council, we must, we think, insist that this path is followed. We would like to thank Mr Radoux for including this point so explicitly in his report. We should also like to thank him for making quite clear in his motion for a resolution that cooperation should also cover cultural and social matters, with a view to emphasizing the dynamic character of this agreement. The third point to which we attach particular importance is that we must see to it that small and medium-sized undertakings within the European Community have a chance to take advantage of this unique Cooperation Agreement.

We realize that the Yugoslavian economy has made exceptional progress in recent years. The standard of living is rising and the number of people employed in agriculture is constantly decreasing, which reflects a major upswing in the economy. We are also very pleased to note that a large number of Yugoslavian migrant workers have returned to their country, since they have realized that their chances of finding work have substantially increased. This, of course, is all connected with the decision by the Yugoslavian Government to make their economy increasingly market-oriented. However, in concluding an agreement of this kind, if we intend to face the future together, we must make no bones about the fact that excessive optimism is out of place and we must not close our eyes to the weaknesses on both sides.

Mr Radoux has explained very clearly what is our major cause for concern, i.e. Yugoslavia's increasing trade deficit with the European Community. We must also recognize that the Yugoslavian economy is not yet adequately represented in the European Community and I think we must do all in our power to help our new partner along this path. We should gently suggest that Yugoslavia should not restrict itself exclusively to traditional methods in promoting its products, but that consideration should also be given to questions of cooperation with third countries and technology transfer.

In my view, we should also consider whether the dinar should be adjusted to its true value with a view to getting at the roots of the problem of the trade deficit. Nor do we make any secret of the fact that we do not find certain developments in Yugoslavia over the last few months very pleasant from the trade point of view. For example, when we consider how certain bureaucratic obstacles are used in Yugoslavia in order to get round the so called law on the value of the currency, we must admit that this is not a good thing for the further development of trade with our new partner.

To sum up, Mr President, we feel this Agreement provides a new platform, that we will be able within the Cooperation Council to enumerate all these prob-

lems and deal with the weak points on both sides. Finally, we must stress once more that the accession of Greece to the European Community, which is scheduled for 1981, should not mean that Yugoslavia is pushed aside, but rather that we should make joint efforts to see to it that, by virtue of its geographical situation, economic cooperation is established in all fields, which should also lead to the development of communications — a point which this Parliament has already discussed in detail during the last part-session.

Mr President, ladies and gentlemen, we should now make a determined effort to do justice to the dynamic character of this Agreement, get seriously down to work and see to it that Yugoslavia becomes a reliable trade and political partner of this Community. My Group will do all it can to this end.

*(Applause)*

**President.** — I call Sir John Stewart-Clark to speak on behalf of the European Democratic Group.

**Sir John Stewart-Clark.** — Mr President, first of all I wish to express the condolences of our group in this Parliament to the people of Yugoslavia on the loss of their leader, President Tito. He died as he lived, in fortitude. He will go down in history as one of the great leaders of this century. We are all the weaker and the poorer by his death.

Under President Tito, Yugoslavia maintained a neutral position not only politically, but also in trade. Thirty-five per cent of her imports have come from Comecon countries, 35 % also from the European Community, but this has not been the case in regard to her exports, for Comecon countries have taken 40 % and yet the European Community has only taken 25 %, and I think it is fair to say that we have contributed partially to the deficit which they have had. Since 1974, Yugoslavia has had an average trade deficit of 3 700 million US dollars a year. This rose to 4 300 million US dollars in 1979, and of that amount the Community accounted for a deficit of 2 500 million dollars. So steps had to be taken to reverse this trend. If not, we would have seen a continuing and widening deficit exacerbated by oil prices which could have led to increasing economic difficulties within Yugoslavia and increased her dependence upon Russia.

I would only remind you of the position which Yugoslavia has in the world today and her rôle in preserving world peace. In the last 25 years, Yugoslavia has displayed a magnificent effort in advancing from what was essentially an agricultural economy, with over 70 % of its people on the land, to an industrialized and social society employing over 50 % of its people in those sectors. Under a strong leadership, she has secured stability at home and respect abroad. What a contrast this is to so many socialist States in the Eastern bloc!

**Stewart-Clark**

I need hardly remind you that Yugoslavia consists of eight separate republics or autonomous provinces, and its population comprises Serbs, Croats and others of different ethnic origins. We cannot, therefore take stability for granted. Yugoslavia is a potential powder-keg. If that country crumbles, there may be dire consequences not only for her own people but for all the Western world, and with Greece so soon joining the Common Market, and so near to Yugoslavia, we have to ensure that Yugoslavia remains a united and essentially nonaligned country. The agreement just signed is therefore important and timely, and we should like to compliment the Commission on negotiating it successfully. We should also like to compliment the Council on its flexibility and on seeing that speed had to be produced when speed was needed. I wish to thank Mr Radoux for the way he has compiled, produced and presented this excellent and businesslike report, which we totally support.

In the agreement, there is wide scope. It covers not only trade, but economic and financial cooperation. Frankly, it, gives Yugoslavia much more than Yugoslavia gives back, by allowing Yugoslavia to impose restrictions on imports to protect her industries. This is non-reciprocal. The European Community virtually becomes a free trade area for Yugoslavian goods: there are no quantitative restrictions, only some tariff ceilings. There are generous agricultural concessions. Yugoslav workers will be able to move and enjoy protection within the European Common Market, almost like members of the Common Market; and they get financial support with low-interest loans and in other ways.

Now, all this is right. But I ask the Commission to ensure that this agreement is properly controlled and regularly reviewed. We in this Parliament expect to see a thorough examination of this agreement. We expect to be informed. We expect to see a complete control on such items as non-tariff barriers, on the application of patent laws and a whole list of other such things. You have said in this agreement that a cooperation council is to be set up. Let us ask that this cooperation council should really work, and let us request the Commission, in agreeing to this important agreement, to ensure that it is properly controlled and we are kept properly informed.

*(Applause)*

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

**Mr Denis.** — *(F)* The French members of the Communist and Allies Group attach particular importance to cooperation and friendship with the people of Yugoslavia for various reasons which are especially topical at the moment. It is in this light that we are expressing our opinion on this item of the agenda after considering all the complex elements involved and in

full awareness of the highly varied motives that guide each group.

We wish, first of all, to reiterate our opposition in principle to any supranationalism, in other words we oppose any move by the EEC to arrogate certain powers to itself in violation of the inalienable right of France or of any other country to conclude international agreements in keeping with its interests. We ask that the national parliament be allowed to rule on international agreements concluded on our country's behalf. We know our Yugoslav friends, who are so committed to their independence, understand us.

With regard to this agreement, there is no doubt that it could have taken better account of the problems facing certain sectors of our economy, industry and agriculture if it had been negotiated directly by a French Government in the light of the national interest. You can rest assured that we will be vigilant, particularly in cases where the interests of stockbreeders, tobacco farmers, wine growers and other categories of workers are at stake. We wish to reiterate our opposition to any imports that do not supplement our needs irrespective of where they come from. At the same time, we will act to ensure that the resources of a country like ours are more appropriately used in granting new impetus to a mutually advantageous cooperation with all countries, including socialist countries like Yugoslavia, and the developing countries.

This, we think, would be a move towards the desired objective of diversifying our trade relations. It is unfortunate that for years now the Community has refused to entertain the well-founded requests of Yugoslavia, and the sudden change of attitude can only be attributed to hardly discernible reasons. Obviously, we do not subscribe to such an approach to cooperation. We do notice that socialist Yugoslavia's status as a non-aligned country and member of the Group of 77 developing countries is explicitly recognized. Such a positive reference could well be emphasized in relations with other countries particularly those of the Lomé Convention and in the Maghreb regions. I also notice that it is not by chance that this agreement with a country that is working for détente makes explicit reference to the Final Act of the Helsinki Conference.

We will ensure that there is compliance with the positive aspects of this agreement. This is especially necessary when we hear or read certain comments or notice certain attempts at unilateral interpretation. Yugoslavia does not need anyone's protection, and attempt to impose decisions which fall within its sovereignty cannot be tolerated.

For instance, we cannot but refer to the demands to be met by the Yugoslav transport and communications sector under paragraph 10 of the motion, which are allegedly essential to the future expansion of the Common Market with the accession of Greece. This is a surreptitious attempt to exert influence. I must say

Denis

that cooperation with Yugoslavia takes on more significance than ever before in the present circumstances. I have no qualms in saying that we are the most qualified to address the issue. When listening to others who are totally obsessed with base political considerations, one might lose sight of the socialist worker participation system in Yugoslavia and of the fact that leaders who have democratically taken over from the late President Tito are, as they have always been, our comrades. We have frequently demonstrated our friendship and solidarity with socialist Yugoslavia, her people and the line followed by the Yugoslav communists, most recently at the highest level during the tribute to Josip Broz Tito. The cause of cooperation with Yugoslavia will not be served if we try to cloak it with undertones of cold war and interference. Like everything else that is contrary to the progress of the peoples, such disdainful pursuits are doomed to fail. As for us, we do not lose sight of the essential aims. This is why, for reasons other than those put forward by other speakers, we will vote for the resolution despite the concerns I have just expressed. It will be a positive act, a political affirmation of our solidarity and commitment to friendship with socialist Yugoslavia.

*(Applause)*

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

**Mr Bettiza.** — *(I)* Mr President, ladies and gentlemen, this is not the first time that it is my pleasure to cooperate, albeit indirectly, with Mr Radoux whose report has the full approval of our group. In the midst of the current climate of international crisis, it represents a clear-sighted and responsible approach by this Parliament to one of the most delicate issues which the Community has to face, that involving its relations with a third country which is at the same time a neighbour, a socialist country which is at the same time a non-aligned State and a Mediterranean country upon which its special strategic and political position confers — as long as if its stability can be maintained — particular importance as a factor of overall stabilization in Europe.

It is gratifying that the Minister of Foreign Affairs, Mr Colombo, President-in-Office of the Council, felt that the political, and not only the technical and economic, importance of this agreement needed to be stressed. I should also like to emphasize a fact which not only links the institutions of our Community with this neighbouring third country, but in particular links this Parliament with the Socialist Federal Republic of Yugoslavia. I refer to the funeral of President Tito which Mrs Weil attended in her capacity as President of this Parliament and at which she was considered on the same level by protocol as all the 150 heads of state and government in attendance. The President of this Parliament was held in the same high regard as the

latter at one of the most significant ceremonies in the history of mankind which brought together in Belgrade delegations from parliaments and governments from all parts of the world.

It is also gratifying to see that Mr Haferkamp, the Commissioner who has devoted so much of his work in recent years to negotiating an agreement which could not be expressed in more precise and more dynamic terms, attended the funeral. My only regret is that the President of the Commission, Mr Jenkins, who has also devoted much of his political activity to Yugoslavia was not there alongside Mr Haferkamp. However, let us turn to the future. For the future, it is important to establish as precise and dynamic a strategy as possible in order to implement this agreement which will amount only to an agreement on paper unless it is backed up by the political resolve of the Community. It is up to the Parliament to be the prime mover of the Community and make the agreement as effective as possible.

As a Liberal and as an Italian I should just like to recall the Osimo Agreements which could and should form one of the pillars of the agreement between the Community and Yugoslavia. The Osimo Agreements represent a rare and example of application of the Helsinki agreements between countries having different types of government. Even more important, the economic codicils to the agreements contain something which is more concrete. I refer to the proposal for the establishing of a free industrial zone between Italy and Yugoslavia. The Osimo Agreements have been held up as a valuable component of the agreement between the Community and Yugoslavia. In this connection, it should be added and made clear that once this mixed free zone is set up, Yugoslavia will make available a part of its economic territory for collaboration not only with Italy, but with country which is a Member State of the Community. Using our political imagination, we should therefore look upon this area not only as a free area between Yugoslavia and Italy but as a free industrial area, operational and thriving in Europe, between a European country such as Yugoslavia and the European Community to which we belong.

I should like to conclude by submitting a technical proposal which complements that already submitted by Mr van Aerssen and concerning 'how' this Parliament can monitor the effectiveness of these agreements with Yugoslavia. It can do so only in one way. The agreement involves an executive body, the Cooperation Council. I wholeheartedly agree with Mr van Aerssen's proposal that at least two members of our Parliament should sit on this Cooperation Council. This is the only way we can have any guarantee that the resolve of our Parliament makes itself felt within this executive body. The agreements could otherwise remain a dead letter.

## IN THE CHAIR: MR VANDEWIELE

*Vice-President*

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

**Mrs Dienesch.** — (*F*) Mr President, I wish to say a few words on this report, which we naturally welcome.

First of all, what is particularly important for us is that Europe should enjoy concrete relations with a country located at the junction of the industrialized and under-developed worlds and which therefore plays an important role on the international scene.

Secondly, this is in fact the first overall agreement that the EEC has signed with a State-trading country. In this respect, it is an exemplary agreement. Actually, Yugoslavia occupies a special position between countries with a planned economy and those with a free-market economy.

I should add that, besides the conventional aspect of trade, emphasis is laid on wide-ranging cooperation covering the major sectors of the economy and all fields: agricultural, technological, scientific, financial, social, institutional and, in particular, cultural.

In view of Greece's accession, emphasis should be laid on the Mediterranean aspect of Yugoslavia. Because of its geographical situation and its function as a transit route between the Nine and Greece, Yugoslavia is destined to play an important role in the near future, and it is regrettable that the Agreement makes no mention of such an important aspect.

Since I have very little time left, I wish to conclude by approving all that has been said, while expressing my reservations on paragraph 13 of the motion for a resolution. The rapporteur proposes the following: 'Considers it desirable for the European Parliament to be suitably represented in the Cooperation Council to enable the parliamentary committees responsible to follow, with a full knowledge of the facts, the application of the provisions of the Agreement and the development of its potential.' Instead of ratifying international agreements or examining them before they are signed. Parliament wants to administer the agreement? Is this within its powers?

We have an example of good administration in the case of the Lomé Convention, which set up a Council of ACP/EEC Ministers — which administers the agreement — and the Joint Consultative Assembly. This Assembly supervises the activities of the Council of Ministers, which submits to it an annual report on its

activities but does not, under any circumstances, interfere in the Council's administration and decision-making process and does not attend its discussions. And yet we know the key role the Assembly plays in taking initiatives and settling conflicts. This is a good example which should have been followed and which could be followed.

Apart from this reservation, which we consider important, we fully approve the Radoux report which is destined to improve relations between the EEC and Yugoslavia.

**President.** — I call Mrs Macciocchi.

**Mrs Macciocchi.** — (*I*) Mr President, we approve Mr Radoux's report, to which we Italian Radicals feel we have made a useful contribution.

However, I should like to raise just one point. We cannot accept that this crucial EEC-Yugoslavia Agreement should have been concluded — and as far as the Community goes 'concluded' also means 'ratified' — by the Council without our Parliament being consulted in plenary session as required under the terms of the Treaties. Article 238 states that association agreements between the Community and third countries must be concluded by the Council, acting unanimously after consulting the Assembly. The EEC-Yugoslavia Agreement falls into this category as Mr Zamberletti himself acknowledged at the joint meeting of the Committee on External Economic Relations and the Political Affairs Committee.

The same protocol which should come into force on 1 July 1980 and which will be applied to make available EEC funds to Yugoslavia amounting to EUA 200 million, should have been vetted by the democratically-elected Assembly, particularly as this protocol is not to be ratified by the nine national parliaments. One of the reasons for raising this point — on which I shall not dwell any further — is that you all know that our efforts have always been concentrated on giving this Parliament a measure of authoritativeness consonant with a Parliament elected by 180 million citizens.

After expressing our disapproval of this practice — and we shall be tabling an amendment on this — I should like to get into two issues in greater detail. One concerns following up the possibility of using extraordinary intervention for the setting up of road, rail and sea links between Munich and the ports of Trieste and Monfalcone. This also relates to the document approved at the last part-session following an oral question from Mr Cecovini.

The other concerns Articles 41, 42 and 43 which specifically mention the Osimo Agreements. We note that the implementation of these articles is dependent on a solution being found to the problem of where the Italo-Yugoslav industrial free zone referred to in the

## Macciocchi

protocol to the Osimo Agreements is to be sited. We therefore hope that the Commission can as soon as possible get the two countries concerned to renegotiate the location of the industrial free zone on the Carso. The local population is very much in favour of such a renegotiation and Yugoslavia has already stated its willingness to renegotiate. In fact, the Yugoslav Minister for Foreign Affairs said a month or so ago that although a referendum could in no way change international relations, the fact remained that if the local people were against the project as it stood, this should not go unheard and the zone should be moved elsewhere.

These were the issues on which I wanted to speak during this important debate. They will, moreover, be raised again and submitted to your attention in the amendments we have tabled. Let me wind up by saying that this agreement between the EEC and Yugoslavia is, from the general political point of view, on which has our full support because to us Yugoslavia is not only a valuable political partner, as someone said, but something much more important in the history of the European peoples. It is a country — perhaps the only one to date and quite likely for some time to come — which has managed to blend successfully the ideals of socialism and freedom.

Which is why — and I take my turn to pay tribute, as other speakers have done, to the memory of Tito, a man who stands apart in modern times because of the battle he so ably fought and won — I repeat we are wholeheartedly behind this initiative.

**President.** — I call Mrs Gaiotti de Biase.

**Mrs Gaiotti de Biase.** — (I) Mr President, ladies and gentlemen, the implications of the Association Agreement we are about to ratify go far beyond the realm of purely economic considerations. It is a political act which, in the present climate of crisis, uncertainty, instability and mutual distrust at the international level, and of institutional crisis and lack of cohesion and initiative at the Community level, delivers a message of hope and confidence in peace and in the role of the Community.

What is the message that we, as the EEC and also as Western democracies, send to the world? Simply that economic and social systems and the pattern of international politics may offer a wide diversity, but that this is no obstacle to cooperation if there is a common resolve, free from ulterior motives and ambiguity, to achieve understanding.

In many respects, Yugoslavia is a far cry from our own countries, yet we can honestly say that, over and above the economic commitments we are now underwriting, we share a common bond in that the effort being made by two such different parties to safeguard peace and independence is a joint one, with each side taking due

account of the opinions of the other, in working towards a broadly-based negotiated agreement, rejecting any approach based on positions of advantage or on the *fait accompli*. Respecting the different configuration of the Yugoslav system does not therefore imply that the agreement has inherent limitations, but enhances its value in the same way as all the other major aspects already mentioned; its unlimited duration, its wide-ranging character and the institutional clauses it contains.

I should like to repeat here, Mr President, something I have often said in committee on this subject. As an Italian Christian Democrat and the representative in this Parliament of the Italian border population concerned, I am proud of the role that the successive governments of our country and the people in this region have consistently played over the past 30 years in maintaining peace along this border, which is also a Community border. This achievement, upon which we set the final seal today, Mr President, is one which has not been random, easy or without hurdles. In order to arrive at this goal, the exploitation of emotional issues to electoral ends has been overridden by a long-term political and pacific strategy, casting demagoguery aside and appealing to the people's better instincts. This was after the last war when, in the border towns of Trieste and Gorizia, this miniature Berlin of the Adriatic, where houses and families were divided by a frontier which seemed insurmountable, it was understood with great resoluteness that the psychological aspects of the conflict had to be overcome. There was a resolve to do so and it was done, and the difficulties involved then were by no means minor ones, when compared with the clauses of the Osimo Agreements and the proposed free zone, which has brought about electioneering manoeuvres based on exploiting misgivings over development and hiding behind problems of location which are easily solved.

This background was necessary in order to prevent us losing sight of the historical value of the agreements we are now ratifying and of the awe inspiring knowledge that what we have done is part of an overall strategy for peaceful coexistence. It is a strategy which deserves a greater endeavour by the European institutions to emerge from the crisis, a strategy which calls increasingly for a sound common economic policy and one which does not contradict — rather it makes necessary — a new common and democratic policy on security without which, moreover, it would have been unthinkable to reach the goal we have now reached.

Our group is wholeheartedly behind this act of peace on account of its great political significance and extends its friendship to the Socialist Federal Republic of Yugoslavia which, with justified confidence in itself, is now embarking upon a new phase in its history following the demise of Tito. We shall be voting in favour of Mr Radoux's motion for a resolution and at the same time emphasize the merits of all the technical, commercial, financial, and social details which have already been mentioned and which constitute the

**Gaiotti de Biase**

concrete manifestation of our resolve to achieve peaceful coexistence. The rapporteur and other speakers have already mentioned this and time is too short to say any more about these aspects of the agreement. I should nevertheless like to stress the value of the development of cooperation, including cultural cooperation, the value of the clauses on the working and living conditions of migrant workers and the importance of the financial protocol.

Mr Radoux's motion for a resolution and other speakers have already referred to the future role of this Parliament in monitoring and ensuring the full success of these agreements. The practical problems which arise, the currency arrangements, the observance of the Osimo agreements covering *inter alia* the setting up of transport links between Trieste and Ljubljana and between Gorizia and Ljubljana, the agreements for the fishing sector and so on will therefore be dealt with under the terms of this commitment in the same spirit as that which fostered the agreement which has just been concluded.

**President.** — I call Mr Gouthier.

**Mr Gouthier.** — (*I*) Ladies and gentlemen, on behalf of the Italian members of the Communist and Allies Group I should like to express our approval of the agreements reached between the Community and Yugoslavia and of the motion for a resolution submitted to our attention.

There are many obvious reasons for our unhesitating and wholehearted approval. In today's tense and danger-fraught international situation, the Socialist Federal Republic of Yugoslavia, as a non-aligned and Mediterranean country, has an exceptionally important role, a role which is also capitally important for us Europeans. It is one of the most influential of the non-aligned countries and is today resolutely engaged in an endeavour to get all countries to come to their senses and uphold fundamental principles for the sake of peace and peaceful coexistence throughout the world, in other words, to uphold the sovereignty, autonomy and independence of all peoples and all countries. Yugoslavia is at the forefront of the struggle for social and political progress, for the preservation of peace, for a return — something which is possible — to peaceful coexistence, particularly in Europe, and for cooperation and collaboration between all peoples. The importance of Yugoslavia to Europe will no doubt be further enhanced when Greece becomes a member of the Community. It is therefore capitally important for all European countries and for the European Community to develop increasingly solid relations with the Socialist Federal Republic of Yugoslavia and this is why we view the basic principles of this agreement so favourably.

These principles include, first and foremost, the need to restore a balance in the terms of trade between the

EEC and Yugoslavia. We consider it equitable and sound to seek to reduce the Yugoslav deficit which currently results from that country's terms of trade with the European Community. It is in the interests of Europe to have a Socialist Federal Republic of Yugoslavia which also strong from the economic standpoint.

Secondly, we are wholeheartedly in favour of developing technical, scientific, financial and cultural cooperation. We also find encouraging the prospect of stepping up relations, *inter alia* at the institutional level, between this Parliament on the one hand and the representative bodies of the Socialist Federal Republic of Yugoslavia on the other.

At this juncture it is as well to specify what is and will be the *leitmotiv* for the correct implementation of this agreement and what will at the same time provide an opportunity for expanding the terms of the agreement itself. For this Cooperation Agreement between the EEC and Yugoslavia will flourish and be open to further development only if the Community for its part sticks firmly to an approach based on the full respect for the autonomy and total equality of the two parties involved.

A few minutes ago we listened in dismay to remarks, for example, from the benches of the European Democratic Group and it was likewise with dismay that we read a few days ago the motion for a resolution tabled by the group of European Progressive Democrats. It is beyond us that anyone should deliberately want to generate an atmosphere of panic. We therefore feel duty-bound to frown upon all attempts by certain countries — such as that made recently and repeatedly by the United States and which the EEC would do well not to imitate — to assume a sort of right of guardianship and protection over the Socialist Federal Republic of Yugoslavia.

Mr President, ladies and gentlemen, the history of Yugoslavia is also uppermost in our minds. The peoples of Yugoslavia won their independence and freedom after a long and bitter struggle by millions and millions of Yugoslav citizens against nazism and fascism. This is reason enough for us to consider that the peoples of Yugoslavia are admirably qualified to judge where their interests lie and to shape their own destiny, just as they are perfectly able to stand up themselves for their sovereignty, autonomy and independence, and stave off outside interference in whatever shape or form, even in its more insidious forms.

In our view, this is of fundamental importance, Mr President, ladies and gentlemen, particularly for us Italians, mindful as we are of the importance of the Osimo agreements which are today virtually incorporated in this EEC-Yugoslavia Agreement, a Treaty which represents a step forward and a concrete application of the Helsinki agreements. Italy must play an active role, as must the border inhabitants and regions, especially those of Friuli Venezia Giulia.

**Gauthier**

We have therefore subjected to close scrutiny the amendments tabled by the group of the European Peoples Party and by Mr Bonino and others. The situation calls for the utmost attention to detail and at the same time a high degree of caution and far-sightedness.

We have tabled an amendment to Amendment No 6 by Mr Bonino and others, as the problem is not only one of linking Munich with Trieste and Monfalcone, as we debated and decided during the last part session, but one of setting up more and better links from West to East. We therefore call for traffic links running from East to West and, particularly, between Trieste and Gorizia and Fiume and Ljubljana.

As for the free zone on the Carso and the need to renegotiate the exact location, it should be borne in mind that a referendum among the people affected will be held in the autumn. We Communists have always been and remain in favour of an approach based on open debate between all the parties concerned in the interests of a solution which is more broadly based, which reflects the wishes of the parties involved and has been chosen in full awareness of the true factor. Solid and significant contacts have been established so now is not the time to be raising issues which could jeopardize them. We shall therefore abstain from voting on this amendment, as we shall also be abstaining from voting on Amendment No 7 for the same reasons.

Mr President, ladies and gentlemen, the role of the Cooperation Council is important, as is also the presence of the European Parliament; but it is equally necessary that we all be aware of the need to follow the path to peace and freedom for all peoples in a spirit of true cooperation and collaboration.

*(Applause from the benches of the Communist and Allies Group)*

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, I should like to begin by thanking the rapporteur for this excellent report, which is a concentrated review of all the elements of general political, economic and institutional importance in this agreement. I should also like to thank the House for its interest and its unanimous support for the conclusion of this agreement which you confirmed once again this morning. I say 'once again' because over the last few years, this House has commented on these negotiations on a number of occasions and always in a positive tone. The general importance of this agreement has already been referred to here along with its special characteristics. I should like to remind you once again of the starting point for our negotiations, which was — as Mr Radoux said — the Belgrade Declaration of 2 December 1976, in which the European Community

and the Socialist Federal Republic of Yugoslavia — which both the declaration and our agreement referred to as a non-aligned European Mediterranean State and a member of the Group of 77 developing countries — set out their aims as regards cooperation in the interests of all by developing existing relations and extending them to new areas which, it was hoped, would be strengthened, deepened and diversified.

Those were our aims as stated in December 1976, and in the genuine opinion of all those who were involved in the negotiations, this agreement will meet those aims. All the speakers so far have underlined the economic importance of this agreement. Mention has been made — and I can only repeat this point — of the lively trade in goods between the Community and Yugoslavia which has existed for years and which is constantly growing. Mention was also made of one point which was and is a cause of particular concern to our Yugoslav friends, and that is the trade deficit — which has tended to increase in the past — between the Community and Yugoslavia to the detriment of the latter. We realize of course that this deficit — which amounted to \$ 2.5 million last year — cannot be eliminated at a stroke, but we are convinced that the terms of the agreement will turn the tide in favour of Yugoslavia. This trade agreement with its various provisions will, all in all, guarantee improved access for Yugoslavian products to the European Community market. The provisions of the trade section of the agreement will give the Yugoslavian economy security as regards forward planning and will also generally serve to help the Yugoslavian economy to develop. After all, we realize what disparities exist as regards the economic development of the various regions of Yugoslavia. We also know how great the development potential is, and we have all seen what admirable progress the Yugoslavian economy has made over recent decades. The trade section of the agreement will give a further boost to this development, as will the chapter concerning financial, economic and technical cooperation.

I should like to point out, however, that there are other important chapters apart from those dealing with economic issues and which have been mentioned in the course of this debate, such as the provisions in the social sphere for the equal treatment as regards working conditions and pay of Yugoslav workers in our Member States, not to mention other social provisions. I should also like to mention the importance attached to cooperation in the organizations provided for in the agreement. Speakers in this debate have so far concentrated on the Cooperation Council, but I should like to add that the subordinate committees also have an important role to perform. If it thinks it necessary and right, the Cooperation Council can create additional working parties, and we hope that these possibilities will be utilized in the interests of the full implementation of the agreement. Both the resolution itself and the speakers here today have referred to the desirability of the European Parliament being represented in the Cooperation Council. Mr Radoux said in his report that the Cooperation Council was the executive

### Haferkamp

body of the agreement, and this is repeated in section C of the addendum to the resolution. I would ask this House to give some thought to whether participation of the European Parliament — in other words the legislative body — in this executive body is really a suitable way of bringing about what you rightly call for, namely, a means of keeping a constant check on how the agreement is applied in practice. I do not think that can be achieved by your being represented in an executive institution like the Cooperation Council. Mention was made in the course of the debate of the possibility of regular reporting, which is something the Commission is perfectly willing to commit itself to. You would then be able to keep us supplied with initiatives, wishes, demands for more information and suggestions as regards future developments to help us implement the agreement. All these things should of course be agreed between us, and I hereby declare our willingness to enter into such an agreement.

I believe that there is another way in which Parliament can exert a great deal of influence on our future cooperation with Yugoslavia so as to breathe life into this agreement, and that is by way of cooperation between this House and the representatives of the Federal Assembly of the Socialist Federal Republic of Yugoslavia. Attached to the final act of the agreement is a joint declaration in which the representatives of the Government of the Socialist Federal Republic of Yugoslavia and the Community declare their willingness to encourage cooperation between the two legislative bodies. We too declared our intention to contribute to this process. We did not go beyond that, because we have no right to do so. It is up to Parliament alone to decide what form cooperation with the other legislative bodies should take. We shall gladly do anything we can to encourage this process. That is something I would like to declare here quite explicitly.

Allow me to take this opportunity to make a few comments of a general nature on procedural questions which have been brought up here. Mrs Wiczorek-Zeul made the point that, in the negotiations on this agreement, not to mention on other occasions, the major political aims and sometimes also the major political statements do not fully coincide, leading all too often to stagnation and insistence on technical detail. I can only confirm that that is indeed the case and that it does not exactly make the work of negotiators any easier. I am not afraid to state here that there are indeed a large number of extremely regrettable obstacles. This happens mainly at the level of national experts who are brought in to the negotiations and who — legitimately, of course — represent national interests but unfortunately all too often — and all this is perfectly legitimate — represent the interests of their particular subject areas, their ministries or particular economic sectors, right down even to particular products. I can tell you that the last three days of the negotiations with Yugoslavia were characterized by only

one main difficulty — apart from a few others, all of which we managed to deal with. This one main difficulty concerned the export of a few hundred tonnes, of Yugoslavian baby beef into the vast European Community. That is the kind of thing that is part and parcel of negotiating. We would welcome a shift of emphasis from these technical details and special interests to the political aspect, and not only in connection with this particular agreement.

Several speakers expressed the wish for Parliament to be better involved in international agreements, and this is something this House has brought up on previous occasions. As you know, discussions are currently in progress on ways of changing and improving the formal processes in this matter. I had the opportunity to present the Commission's positive attitude to this wish and, personally speaking, I have always tried to improve — pragmatically — our cooperation with the relevant committees and particularly with the Committee on External Economic Relations before formal agreements are concluded, and to involve the committees in the opinion-forming process. As regards the formal discussions on changing the formal procedures, I assume that Parliament can arrange its timetable and its plan of work so that it can present its opinion at the right time, when it is still possible to exert political influence. That is something I should very much like to see happen in the interests of our common objectives.

Finally, let me just say that it came out very clearly in the course of this debate that the importance of the agreement far transcends merely economic matters. That is evident enough from the reference — which appeared in the Belgrade Declaration and which is reproduced in the preamble to the agreement — to the Final Act of the Conference on Security and Cooperation in Europe. This is proof of cooperation and potential cooperation. This is proof of cooperation between the two parties to the agreement which — and this point was made too — represent differing economic systems. It was said that Yugoslavia is a neighbour of the Community. That is true, and it will be even truer once Greece becomes a Member of the Community on 1 January next year. This agreement is therefore documentary evidence of good neighbourliness and that is something which is needed not only in Europe.

We shall do everything in our power to ensure that this agreement is fully implemented, and we intend to do so by bringing parts of the agreement into force as early as 1 July this year. I very much hope that the agreement will be ratified just as quickly in the national parliaments. Mr President, I should like to thank this House for its contribution to this important task.

*(Applause)*



**President.** — I call Mr Radoux.

**Mr Radoux, rapporteur.** — (F) I will very briefly reply to the speakers while sincerely thanking them for the interest they have shown in this report. To Mr van Aerssen, I would say that in the explanatory statement I tried to lay emphasis on the opportunities for cooperation with small and medium-sized undertakings given the worker participation structure of Yugoslavia's economy and the existence of some private initiative. My reply to Sir Stewart-Clark with respect to Yugoslavia's balance of payments deficit is that we shall certainly be trying to reduce the deficit by considerably rectifying their unfavourable trade balance with the Community, bearing in mind that, in recent years, apart from the trade balance, other factors such as oil prices have also affected Yugoslavia's balance of payments.

I will be very brief in my reply to Mr Denis since in every debate our French colleagues harp on the idea of national sovereignty. They forget that, by signing the Treaty of Rome, there was in fact a transfer of sovereignty and that we were simply applying Article 113 of the Treaty in submitting this draft to you. He said better results might have been achieved if his country or other countries had had the opportunity to negotiate separate agreements. No country, no matter how big, has ever been prevented from using the means at its disposal to arrive at an agreement similar to the one under discussion. We who advocated the setting up of a Community as early as 1950 have, however, always felt that we had more means jointly rather than severally.

With regard to paragraph 10 of the resolution, he insisted — I must say with some difficulty — that it amounted to interference in the internal affairs of Yugoslavia to mention communications and transport. I must say to Mr Denis that the most salient feature of this agreement is the fact that it precludes any interference in the internal affairs of our partner. That is why, when it comes to the voting shortly, I will not accept any amendment concerning what the Yugoslav authorities ought or ought not to do as regards their bilateral relations.

I sincerely thank the President of the EEC/Yugoslavia delegation, Mr Bettiza for his remarks on the dynamic approach we have to follow once this report is adopted by Parliament. In this respect, he quite rightly shares the views of other Members.

Mrs Macciocchi criticizes the fact that we were unable to conduct more detailed discussions on this report and the general arrangements with Yugoslavia. I wish to remind her — because I believe this is important — that she referred to Article 238. Article 238, however, deals with association agreements, and this is not an association agreement, even though it covers a wide scope. It is an agreement that falls within the ambit of Article 113. Where I think Mrs Macciocchi is right, however, is with regard to the Luns-Westertep procedure,

which from now on is out of date. This procedure must be reviewed and, as Mrs Macchicchi and her colleagues know, it is at present under discussion with a view to amending it, so as to ensure that Parliament is informed on developments in external economic negotiations.

With regard to the Osimo zone, I said a few moments ago that the Community had guaranteed the treaty between Italy and Yugoslavia, since it is in fact a bilateral arrangement between Italians and Yugoslavs. We can obviously express a resolve, but I do not think, for the reasons I referred to earlier, that this can be formulated in writing.

In conclusion, Mr President, I wish to thank and congratulate Mr Haferkamp. Earlier in my report, I made mention of the role played by the Commission and the Council. I think we should congratulate Mr Haferkamp and his assistants, the senior officials of his Cabinet and entourage who, for months now, have worked very hard to achieve the results that constitute a source of satisfaction for us all today. I will inform him on the stand we have taken with respect to the Cooperation Council which we consider a political body and consequently — that is my hope at least — Parliament will in a few minutes agree to keep this paragraph in the resolution. It is on this basis, Mr Haferkamp, that a formula could be negotiated with the Commission and the Council.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

#### 10. *Discharge to the Commission in respect of the ECSC's financial and budgetary activities*

**President.** — The next item is the report (Doc. 1-64/80), drawn up by Mr Antoniozzi on behalf of the Committee on Budgetary Control, on

the discharge to be given to the Commission in respect of the ECSC's financial and budgetary activities for the 1977 financial year and on the report of the Court of Auditors for the 1977 financial year.

I call Mr Antoniozzi.

**Mr Antoniozzi, rapporteur.** — (I) Mr President, ladies and gentlemen, I should like in the few minutes' speaking time my disposal to briefly explain the reasons for the discharge which the Committee on Budgetary Control has decided to give in respect of the ECSC's financial and budgetary activities for the 1977 financial year. Admittedly, the year in question already belongs to the past, but the upheaval caused by the elections in 1979 prevented us from getting round to it earlier. We can undertake to be more punctual

**Antoniozzi**

with regard to 1978, partly because we have nearly all the documentation to hand which means that we can follow up today's report shortly with a second report which will in some respects complement it and which will also be more up-to-date.

It must be remembered that the ECSC was set up by the Treaty of Paris in 1951 and that its financial structure has points of similarity not only with the public sector but also with the private sector by virtue of its ability to raise funds on the capital market as a means of supplementing its revenue and diversifying its activities. In this connection, it must be said that whereas variable resources and specific expenditure estimates are contained in an 'operational' budget, which is meant to be used to fix the rates of levy, borrowing and lending operations and the management of funds are never the subject of a budget estimate because of their strictly financial nature.

Not even the merger of the executives in 1967 altered this situation; administrative expenditure is charged as a fixed annual contribution to the Commission, which has continued to manage the ECSC's assets completely separately from the general budget. The result is that, apart from certain restrictions, the ECSC has consequently retained its original distinctive features in a new institutional framework. From the political standpoint, there is obviously room for criticism and, over and above the figures, we would like to have a better idea of the sectoral objectives of the coal and iron and steel sector; this information would be extremely useful and is not forthcoming in the documents submitted to us.

The figures are in the report for members' information and scrutiny, but I would like to make a few brief remarks of a political nature, which are in keeping with the role of Parliament's Committee on Budgetary Control. The Treaty provided for substantial powers of control in the territories of the Member States. While this control could be exercised on the administration of the ECSC, that is by no means the case with regard to financial activities. The Treaty of 22 July 1975 setting up the Court of Auditors did not take account of the distinctive operational structure of the ECSC as compared with that of the other Communities. This lack of coordination between the Treaties — and I hope it was an involuntary commission, for otherwise a very dark shadow would be cast on the way certain political objectives are attained — makes it difficult to define the powers of the Court of Auditors and therefore prevents it from exercising adequate control in the form of independent on-the-spot checks. In view of all this the Committee on Budgetary Control recommends that the Treaty establishing the ECSC should be revised. We are well aware that when it comes to revising treaties, it is by no means easy to set a short-term objective, but this is precisely what has to be achieved. In the meantime, in order to break this deadlock, a gentleman's agreement should be reached between the European Parliament, the Court of Auditors and the High Authority/Commission on the

Court's role and powers. This agreement would make it possible to eliminate certain shortcomings by procedural means, pending the revision of the Treaty which will obviously have to take due account of our views and also of the shortcomings which have come to light recently.

I should also like to express my regret that it has proved impossible to audit the levies satisfactorily and I should like to repeat that with regard to industrial loans and loans for reorganization no solution has unfortunately been found to the crucial question of defining objectives in the light of the worsening steel crisis.

On social housing, we note that there is no systematic audit involving the drafting of reports, yet this is a particularly important sector which should be given closer attention.

Very briefly, then, these are the comments, criticisms and proposals we should like to make. For anything not mentioned I would refer those present to the motion for a resolution we have submitted, the explanatory statement and the relevant background documents. We grant a discharge to the High Authority for the ECSC's financial and budgetary activities for the 1977 financial year and ask Parliament to vote in favour of our resolution so that it can be submitted to the Commission of the European Communities.

**President.** — Before I call on the Commissioner to make a short statement, I should like to extend a warm welcome to the members of the Court of Auditors, including Mr Mart.

I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — My remarks will be as brief as possible, but not perhaps as brief as the time would require because of course the report is an important report as the presence of the Court of Auditors suggests. And it is important that certain things should be placed on the record. But I never delay the House for longer than I can help.

In its Section A which deals with general control aspects, it is mainly suggested that the ECSC Treaty should be revised in order to establish clearly the right of the Court of Auditors to carry out autonomous investigations and on-the-spot inquiries and the right of the European Parliament to grant the Commission discharge for the implementation of the ECSC budget. In its Section C the draft resolution takes up a few criticisms expressed by the Court of Auditors in its report. I shall come back to these in a moment.

I should, however, first like to state that the Commission considers that it would be a mistake to press for a formal amendment to the Treaty at the present time. I would like to explain why. It is certainly true that the

## Tugendhat

powers enjoyed by the Court in the ECSC domain are rather different from those accorded to it in other fields. Under the provisions of the ECSC Treaty the Court of Auditors does not have the right to carry out autonomous on-site visits in Member States. It is also true that under the ECSC Treaty Parliament does not have the right to grant discharge over the implementation of the ECSC operational budget.

Before one draws the conclusion that the ECSC Treaty has to be revised, one ought, I think, to measure the risks which such an operation could involve, and judge these lacunae in legal provisions against the background of the practices which have been developed on a pragmatic basis over the years.

The financial provisions of the Treaty of Paris, seen as a whole, are considerably bolder and more advanced than the corresponding provisions of the EEC and Euratom Treaties. The Commission considers that these provisions constitute a valuable heritage and remain in many respects a model procedure, in some ways superior from a Community viewpoint to that developed so far for the general budget.

If a review of the Treaty were initiated in connection with the audit provisions, it could well lead to a general remodelling of procedures on general budget lines — a development which many would regard as retrograde. A revision of the Paris Treaty appears even less necessary when one takes into account the pragmatic procedures which have been developed over the years.

In the field of audit practical arrangements had by 1977 produced a form of audit including on-site checks which at the time was felt to be entirely satisfactory. Indeed, I recall that in the debate on the 1976 discharge in December 1977 both Parliament, through Mr Bangemann, and the Commission, which I had the honour to represent, expressed the hope that the style of work and the practices developed by the Audit Authority would serve as a model for the future.

The important point here is that the powers bestowed on the Court by the Treaty of July 1975 are virtually identical with those previously held by the ECSC Auditor. The practice followed by the ECSC Auditor at the time was that he participated in on-site checks organized by the Commission. This practice has been completely abandoned by the Court of Auditors.

I find it rather ironical that precisely at a time when the Court does not use the control possibilities at its disposal, one should suggest increasing its control powers and have them enshrined in the text of the Treaty. Certainly the priority objective of this House and for the Court in regard to the checking of ECSC expenditure should be to get back to the level of achievement reached in 1977.

As I have made clear, it is perfectly possible to do this within the existing legal framework. The Commission

will be glad to cooperate to this end and is ready to pick up the threads and, as before, to facilitate the participation of officers of the Court in external audit visits arranged by its services.

As far as Parliament's involvement is concerned the Commission, in its capacity as High Authority, has for many years effectively ceded to Parliament the final say on the operational budget and on the annual decision on the rate of levy, and has likewise latterly accepted the claim of Parliament to grant its discharge for the expenditure involved. The character of today's debate is sufficient proof that the powers of Parliament in this area are not in any way diminished by a relatively minor lacuna in the Treaty provisions.

For all these reasons I would strongly advise that Parliament refrain from pronouncing on part A of the draft resolution and from pressing for a revision of the Treaty of Paris at the moment. It might provide scope for reopening delicate institutional issues which it would be wiser not to raise. There is no saying where an initiative to amend the Treaty would stop, but there are good reasons for believing that Parliament itself would be the loser. If necessary, the practical problems of facilitating the work of the Court can no doubt be further examined in the Committee on Budgetary Control.

Turning now to the more technical considerations in the draft motion for a resolution, I have the following brief points to make. As regards point 6 on the draft motion dealing with the need to give Parliament adequate information I would point out that for the Commission this obligation is met by the 60-page memorandum provided each autumn on the ECSC budget together with the annual financial reports on borrowing and lending and other communications.

For the Audit Authority the custom was, as still required by the Treaty, to produce a full and detailed report six months after the end of each financial year. We are ready on the Commission side to do all we can to help the Court revert to this practice as soon as possible.

I have also noted that the excessive criticisms made by the Court of Auditors in its report about the inadequacy of the audit system enforced by the Commission for levies and rehabilitation aid are purely and simply reproduced under point 12 of the draft resolution despite the full explanations and justifications which were given by the Commission in its replies to the Court of Auditors' report which every Member can read in the annex to the report drawn up by your rapporteur. I will therefore not repeat these.

As far as expenditure on social housing is concerned, I should not like to leave the impression, however, that there is no systematic control over it. The loans which are granted by the Commission and which represent up to 7 to 10 % of the cost of the projects are channelled to the beneficiaries through banks which are

**Tugendhat**

entrusted with the management of loans and the supervision of the projects. There is therefore an effective control carried out by these banks. The Commission is now examining the possibility of obtaining periodic reports from the banks which could be made available to the Court of Auditors.

Another point which the Commission cannot accept is the comment that, and I quote: 'With regard to industrial loans and loans for reorganization no solution has been found to the crucial question of defining objectives in the light of the worsening steel crisis'...

The last publication of the general objectives for steel dates back to October 1976 and covers the 1980/85 period. The results of the consultation with all the parties concerned were communicated in December 1978 to Parliament. The main policy elements for the coal and steel sector are also to be found in the Commission annual memorandum on the fixing of the rate of the levy and the drawing up of the ECSC, operational budget. Policy guidelines and information about these are therefore not lacking.

Finally, Mr President, I have noted point 15 of the draft resolution which asks about the possibility of reorganizing the ECSC's accounting system. I have also noted point 16 in which the Commission is asked to produce a comprehensive report on its concept of control and how it could be exercised. The Commission is already pursuing the former request and will comply with the latter in the framework of its next annual memorandum.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

**11. Closure of the list of speakers**

**President.** — The list of speakers for today's debates is closed.

The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 1.10 p.m. and resumed at 3 p.m.)*

**IN THE CHAIR: MR DANKERT****Vice-President**

**President.** — The sitting is resumed.

**12. Membership of Committees**

**President.** — I have received from the Liberal and

Democratic Group a request to appoint Mr De Gucht as member of the Legal Affairs Committee.

Since there are no objections, Mr De Gucht's appointment is ratified.

**13. Votes**

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

We begin with the motion for a resolution contained in the *second Provan report (Doc. 1-73/80): Sheepmeat*.

No amendments to the preamble have been tabled.

I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I should like a separate vote on each amendment. I ask this because my group intends to reject all the amendments in order to retain the original motion as a basis for a compromise.

**President.** — I think that this is in fact necessary, Mr Bangemann.

*(Parliament adopted the preamble)*

On the motion for a resolution, Mr Pranchère and others have tabled Amendment No 1 seeking to replace paragraphs 1 to 11 with the following text:

- aware of the highly adverse consequences which application of the Community sheepmeat regulation would have for French sheep farmers,
- considering that it is unjustifiable that the livelihood of 150 000 French sheep farmers should be jeopardized by a regulation which will mainly benefit the seven British-owned multinationals currently monopolizing more than 80 % of world trade in sheepmeat;
- considering that, in the present situation, the system of Community preference which constitutes one of the CAP's basic principles is not being respected, since French sheepmeat production has to compete not only with a large-scale influx of New Zealand lamb (more than 200 000 tonnes) transiting through the UK, but also with indirect and deflected trade (British imports of New Zealand lamb account for 40 % of world trade in this product),
- considering that the various arrangements designed to facilitate implementation of this regulation do not make it any more acceptable since:
  - the granting of premiums would reduce sheep farmers to the status of welfare recipients without solving any of the real problems,

**President**

- voluntary restraint agreements are entirely illusory as everything today is geared to benefit the multinationals concerned on the European market,
  - considering that the French sheepfarmers' wish to support themselves and earn a reasonable livelihood is a perfectly legitimate aspiration,
1. Demands that the principle of Community preference be respected so that French sheepfarmers do not have to face unreasonable competition from lamb from New Zealand, a country where meat is only a by-product of wool;
  2. Recognizes the urgent need to unbind the 20 % duty agreed under GATT, and for a guarantee of remunerative prices corresponding to national production costs for small and medium-sized sheepfarming enterprises;
  3. Stresses its wholehearted opposition to the draft Community regulation and supports the French farmers' decision to reject it.

What is the rapporteur's position?

**Mr Provan, rapporteur.** — I cannot accept this amendment as I do not think it is a Community approach to the problem. I also find that a large part of it is basically untrue.

*(Parliament rejected Amendment No 1)*

**President.** — On paragraph 1, Mr Buchou and Mr Davern have tabled Amendment No 2 seeking to reword the paragraph as follows:

Regrets that negotiations on the sheepmeat regulation have entered a legal phase which threatens to make parties more concerned to reach a compromise lose sight of the interests of the farmers.

What is the rapporteur's position?

**Mr Provan, rapporteur.** — Again I cannot support this amendment. The Committee on Agriculture approved it as part of the legal implications and, in fact, the rest of the report covers the interests of the farming community.

*(Parliament rejected Amendment No 2 and adopted paragraph 1)*

**President.** — On paragraph 2, Mr Buchou and Mr Davern have tabled Amendment No 3 seeking to reword the paragraph as follows:

Regrets that the Commission has been unable to propose, and the Council to set up, a common market organization capable of replacing the national market organizations, as provided in the Charmasson Judgment of 10 December 1974.

What is the rapporteur's position?

**Mr Provan, rapporteur.** — As before, Mr President, it is not a legal implication and it is covered later in the text.

*(Parliament rejected Amendment No 3 and adopted paragraph 2 and then paragraphs 3 to 5)*

**President.** — On paragraph 6, I have two amendments seeking to replace this paragraph by a new text:

— Amendment No 4 by Mr Buchou and Mr Davern:

Stresses the importance of agreement being reached in the immediate future on a market organization for sheepmeat which respects the three inseparable principles of the CAP, which must be respected simultaneously, namely, market unity, Community preference and financial solidarity;

— Amendment No 12 by Mrs Cresson and others:

Stresses the importance of agreement being reached in the immediate future on a market organization for sheepmeat and that during the interim there should be a genuine transitional period during which:

- a) the French Government would be authorized to grant temporary financial aids;
- b) a plan to adapt production would be implemented in the regions concerned and particularly in the Mediterranean regions;
- c) basis prices would be applied immediately and provision made for their progressive harmonization and the creation of specific amounts equal to the difference between such basis prices in intra-Community trade in sheepmeat;
- d) ceilings on exports within the Community would be agreed on by the Member States concerned and a timetable worked out in advance.

The two amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Provan, rapporteur.** — I am against Amendment No 4, Mr President, because again it is covered in the next paragraph. As regards Amendment No 12, I do not like the idea of introducing an MCA situation into the sheep régime. Therefore, I shall be against that one as well.

*(Parliament rejected Amendment No 4 and then Amendment No 12)*

**President.** — I put paragraph 6 to the vote.

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

*(Parliament adopted paragraph 6)*

On paragraph 7, I have six amendments:

**President**

- Amendment No 9, tabled by Mrs Castle on behalf of the Socialist Group, seeking to delete the paragraph;
- Amendment No 7, tabled by Mr Gautier on behalf of the Socialist Group, seeking to reword subparagraph 7(b) as follows:

Safeguard the incomes and the (one word deleted) livelihood of the producers (one word deleted) in the Community, and in particular by:

- (i) a Community-financed system of premiums;
- (ii) aids for private storage;

- Amendment No 8 by Mr Curry seeking to reword subparagraph 7(b) as follows:

Safeguard the incomes and future livelihood of producers throughout the Community, in particular by:

- (i) a Community-financed system of premiums to producers, in particular, a transition period of five years for French producers during which they will receive premium payments financed by the Community on a degressive basis,
- (ii) aids for private storage,
- (iii) recognizing the importance of milk and cheese production from sheep and goat herds in certain regions of the Community,
- (iv) voluntary agreement with third-country suppliers of live, fresh and frozen meat, laying down the basis of trade for the next five years,
- (v) free trade within the Community on the basis of respect for the proper functioning of the market;

- Amendment No 11 by Sir Fred Warner seeking to reword subparagraph 7(b) as follows:

safeguard the incomes and future livelihood of producers throughout the Community, and in particular by providing:

- (i) aids for private storage designed to to maintain a satisfactory level of market prices, and
- (ii) a Community-financed system of premiums to producers and by
- (iii) recognizing the importance of milk and cheese production from sheep and goat herds in certain regions of the Community.

If measures taken under (i) and (ii) above are insufficient to provide an adequate return to producers during a period of severe market disturbance, proposes that support should be made available through other Community-financed measures;

- Amendment No 13 by Mrs Cresson and others seeking to reword subparagraph 7(b) as follows:

safeguard the incomes and future livelihood of producers throughout the Community and in particular by:

- (i) the application of an intervention system for sheep and sheepmeat similar to the intervention arrangement already provided for in the cattle and beef sector based on a seasonally adjusted basis price;

(rest unchanged)

Amendment No 14 by Mrs Cresson and others seeking to add subparagraphs 7(c) and 7(d) after subparagraph 7(b):

- (c) reasonably imply unbinding under GATT and the renegotiation of the agreements with New Zealand, especially as regards fresh and refrigerated sheepmeat;
- (d) encourage a high-quality policy by aid towards selection and the definition of a satisfactory scale of classification.

What is the rapporteur's position?

**Mr Provan, rapporteur** — This, of course, is the nub of the problem. This problem is causing trouble in the Council of Ministers just as it may indeed cause trouble in Parliament. As rapporteur, I think I have a special role to play as mediator in trying to reach a compromise for the House so that Parliament can gain or at least maintain its credibility.

In committee, paragraph 7 was adopted by one vote over the original text. Full intervention might well create overproduction and, as Mr Gundelach pointed out yesterday, the Community budget can in no way afford another albatross round its neck. I think a new dimension has entered into the argument, because the Council of Ministers has apparently agreed that for five months of the year intervention will not take place in the beef market. Now if that is so, since paragraph 7 as it now stands calls for an intervention system similar to that in the beef sector, at the very time of year when we will be requiring intervention for sheepmeat, intervention will not be available. This will cause untold damage to all sheep production in the Community. Now what I am trying to do is to suggest to Parliament that we reach a compromise because it is such a tightly fought question. I believe that Amendment No 11 standing in Sir Fred Warner's name, which combines basically what the Council of Ministers has called for, and adds other Commission proposals that could permit intervention if so required, is the middle position that Parliament should seek to reach. That way, Mr President, Parliament can contribute to the establishment of some form of agreement within the regime.

I am therefore opposed to Amendment No 9 as it would deprive the report of its significance.

I leave Amendments Nos 7 and 8 to the judgement of the House. I recommend the adoption of Amendment No 11 by Sir Fred Warner as an acceptable compromise. I cannot accept the other amendments.

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

**Mr Bangemann.** — (D) Mr President, the task of a rapporteur is to express the opinion which the committee reached on the report. If you ask me, the rapporteur

**Bangemann**

teur at the moment has far exceeded the mark as regards his task. If the situation is as he has outlined it — in other words that the basis of his report has been removed and that the intervention system for beef is to be handled differently from before and differently from what the Committee on Agriculture advised — then he ought to ask for this report to be referred back to committee. This is something he can do at any time. When the important parameters of the report change, he can as rapporteur ask whenever he wants for the report to be referred back to committee, and this then has to be done. But he cannot stand up here and argue against the view of his committee and recommend an amendment. It is quite out of the question in my view.

*(Applause from certain quarters on the right and centre)*

**President.** — I entirely agree with you. As President of this sitting I have to assume that the rapporteur is speaking on behalf of his committee, because otherwise there will be absolutely no sense to the proceedings here.

I call Mr Clinton.

**Mr Clinton.** — On this point of order, Mr President, I wish to submit that the rapporteur has in fact made a second speech and what he has said does not reflect the views of the committee responsible.

**President.** — I have dealt with that question already. I was not contradicted in my conclusion by the chairman of the Committee on Agriculture so I retain my opinion.

I call Mr Blaney.

**Mr Blaney.** — Mr President, you have indeed not been contradicted by the chairman of the Committee on Agriculture. But the previous speaker is a full member of that committee and I too, as a substitute member of the committee, am familiar with the work of the committee. Mr Clinton and I, together with other members of the committee who can stand up here, are convinced that what the rapporteur has said does not reflect that committee's views.

**President.** — Mr Blaney, I cannot accept your point. The rapporteur speaks on behalf of the committee, as long as the chairman of the committee does not contradict him. I have to work on that hypothesis, otherwise we cannot work in this Assembly. If there are problems with members of the committee they have to be sorted out in the Committee on Agriculture, not in this plenary Assembly.

I give the floor to the rapporteur for a further explanation.

**Mr Provan, rapporteur.** — Mr President, I would like

to explain the voting pattern on this. The original text was for a light-weight regime and it commanded 10 votes in committee. The heavy-weight regime, which is now in the text, commanded 11 votes in committee, the chairman declining to vote. I also point out that there were 5 abstentions. I think the committee was sufficiently divided, Mr President, to prompt it to seek the middle ground, and I think that is a creditable position for Parliament also to adopt.

*(Applause from certain quarters of the European Democratic Group)*

**President.** — Mr Provan, I think I should remind you that the committee's opinion in general is the majority opinion within the committee. No other opinion should be defended by the rapporteur.

*(Applause)*

I call Mr Geurtsen.

**Mr Geurtsen.** — *(NL)* Mr President, as Mr Provan himself has already pointed out, he said in his first speech that the view expressed in the motion for a resolution was adopted by the committee by a majority of one. Mr Provan's remarks would seem to indicate that he was no longer speaking on behalf of the committee. I think it would be a good idea if the Chair reminded the rapporteur that, while his views are extremely interesting, this is not the place for them. Of paramount importance here is his opinion as rapporteur.

**President.** — You are perfectly right, Mr Geurtsen. Rapporteurs are required to put forward the views of their committees. It is sometimes extremely difficult for the Chair fully to appreciate the nuances which occur in the amendments. I therefore have to assume that a rapporteur is always representing the views of his committee. If he does not, it is up to the chairman of the committee to make this known.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, in view of the new information that Mr Provan has given this House, which was confirmed by my colleague, Mr Bangemann, President of the Liberal Group, would it not be right to ask the rapporteur if he does not wish to refer this back to committee for further consideration? Would not that be now the proper course to take, as was suggested by Mr Bangemann?

*(Laughter)*

**President.** — Mr Scott-Hopkins, it is a very nice idea, but as the rapporteur has not asked me for authorization to refer the report back to committee, I will not

**President**

invite him to ask me.

I call Mrs Castle.

**Mrs Castle.** — Further to Mr Scott-Hopkins' point of order, would not Parliament get over its difficulty and effectively refer the whole of this crucial issue back to committee if it were to adopt my amendment No 9 seeking to delete the paragraph.

*(Loud laughter)*

**President.** — I call Mr Blaney.

**Mr Blaney.** — I wonder whether the House is fully aware of the difficulty underlying the problem with which you are now faced, Mr President. The trouble is that the rapporteur and the chairman of the committee may be at variance with their own party and with their own group in this House. We appreciate the difficulty, but the House should understand the position.

**Mr Früh.** — *(D)* I do not want to complicate matters, Mr President, but since I am being addressed from various quarters in my capacity as deputy chairman of the committee — I first made sure that the chairman, Sir Henry Plumb, was not in the Chamber — there is something I should like to say. It goes without saying that the rapporteur must represent the views of the committee. The committee adopted the views which are in the report, albeit with a very small majority, and so I ask you to put these amendments to the vote and not have us go through the whole procedure again, since the idea is being kicked around that the report ought to be referred back to committee, especially as we have already twice had problems with this report and are still dithering over it. This will not make the situation any easier.

*(Applause from various quarters on the centre)*

*(Parliament rejected Amendment No 9 and adopted the first sentence and subparagraph (a) of paragraph 7)*

**President.** — We shall now consider the amendments to subparagraph 7(b).

I put Amendment No 7 to the vote.

As the result of the show of hands is doubtful, a fresh vote will be taken by sitting and standing.

Amendment No 7 is rejected.

*(Parliament rejected successively Amendments No 8, No 11 and No 13)*

I put subparagraph 7(b) to the vote.

As the result of the show of hands is doubtful, a fresh

vote will be taken using the electronic voting system.

I call Mr Bangemann.

**Mr Bangemann.** — *(D)* On behalf of my group I request that the vote be taken by roll call.

**President.** — The vote will be taken in accordance with your wishes.

Subparagraph 7(b) is adopted. (\*)

*(Parliament rejected Amendment No 14 and adopted paragraphs 8 and 9)*

I have two amendments on paragraph 10:

— Amendment No 5 by Mr Buchou and Mr Davern seeking to reword the paragraph as follows:

Considers that sheepmeat production should be promoted in order to make up the deficit in Europe and that, with this in view, the imports which supplement European production should be strictly controlled by means of levies and clearly specified import quotas if necessary;

— Amendment No 10, tabled by Mrs Castle on behalf of the Socialist Group, seeking to delete the words *at prices which would not depress the Community market*.

The two amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Provan, rapporteur.** — I am against this amendment, Mr President. We have written arrangements under GATT, which we cannot just tear up.

*(Parliament rejected Amendment No 5 and No 10 and adopted paragraph 10)*

**President.** — After paragraph 10, Mr Buchou and Mr Davern have tabled Amendment No 6 seeking to insert a new paragraph:

10(a) Asks the Community institutions to start negotiations to unbind the 20 % duty on sheepmeat.

What is the rapporteur's position?

**Mr Provan, rapporteur.** — I am against.

*(Parliament rejected Amendment No 6 and adopted paragraphs 11 and 12)*

**President.** — I call Mr Galland.

(\*) Detailed results of the vote by roll call will be found in the minutes of proceedings.



**Mr Galland.** — (*F*) On behalf of the Liberal and Democratic Group, Mr President, I request that the vote on the motion for a resolution as a whole be taken by roll call.

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

**Mr Scott-Hopkins.** — I request that this vote be taken under the conditions referred to in Rule 33(4).

**President.** — I see that more than thirty Members are standing up. In conformity, therefore, with the request by Mr Scott-Hopkins, and in line with the request of Mr Galland, we shall now take a vote by roll-call in order to see whether the quorum is present and shall do so on the basis of an electronic vote on the motion for a resolution.

I call Mr Patterson.

**Mr Patterson.** — I refer to Rule 350.

On repeated occasions, members of my group have pointed out that when we take a roll-call vote by electronic means it should be impossible for those Members who are not present to vote; and on repeated occasions we have been assured by the Presidency that the cards of those Members who are not present will not be in their slots. Now, earlier today we had a vote in which the margin was two, and yet I still see Members' seats with cards in their places and the Members are not present. I hope you, Mr President, are satisfied that those Members who are recorded as having voted were all present. Could I suggest that as we are now entering a very critical vote, you ask the ushers to remove the cards of those Members who are not sitting in their places?

*(Applause from certain quarters)*

**President.** — I call Mr Blaney.

**Mr Blaney.** — Mr President, may I ask whether or not it is now clear to the House that the people who did not want anything done about this intervention business are now showing their true colours. If we in this group did what they are now doing, we would be branded as undemocratic and of no help to the House.

**President.** — I will ask the ushers as soon as the vote is open to withdraw the cards from the places of Members who are not present.

*(Loud protests)*

I call Mrs Cassanmagnago Cerretti.

**Mrs Cassanmagnago Cerretti.** — (*I*) Mr President, the Members here have been elected by the people and

not by a bunch of schoolkids. I request that the vote be taken without the removal of the cards because we are all responsible adults and ought to be aware of our position. If anyone has really voted for other people, this is a matter for the conscience of the individual. But leave the cards where they are because, as I said before, we are responsible Members of this Parliament.

*(Applause)*

**President.** — Mrs Cassanmagnago Cerretti, in theory you are quite right, of course. I am only pointing out that on occasions in the past voting was not always in accordance with the Rules and that cards were used where no Member was sitting. The second point is that even at this moment it is impossible for the Chair to have a completely accurate idea of who is and who is not in the Chamber.

I put to the vote Mr Patterson's request that the cards of Members not present in the Chamber be taken out of the voting slots.

The request is rejected.\*

We shall now take a vote by roll call on the motion for a resolution as a whole.

The quorum is not present.\* The motion for a resolution will therefore be put to the vote again tomorrow.

I call Mr Galland.

**Mr Galland.** — (*F*) Mr President, two group chairmen, Mr Glinne and Mr Scott-Hopkins, in the space of 24 hours have provided remarkable proof of how the work of this Parliament could be paralysed over the next five years.

*(Applause from the centre and the right)*

They are wrong in my view, and I base my opinion on Rule 33(4) of the Rules of Procedure which states:

If so requested before the voting has begun by at least thirty Members present, a vote shall be valid only if a majority of the current Members of Parliament have taken part in it.

This means, Mr President, that those who make the request have to be included in the quorum total. Just read Rule 33(4).

I know for a fact that not one member of the British Conservative group took part in the vote on the quorum. They cannot ask for a quorum to be established and then not take part in the vote on it. This is made absolutely clear in Rule 33(4).

*(Applause from the centre and the right)*

\* See minutes of proceedings.

**President.** — This question has already been settled, Mr Galland.

**Mr Galland.** — (F) Not at all, Mr President. I assure you that this is the first time that this interpretation, which is the right one in my view, of Rule 33(4) has been voiced in this Parliament. I intended to raise the point yesterday with regard to Mr Glinne. There has never been any discussion in the House on whether the thirty Members have to be included in the quorum total.

**Mr Glinne.** — (F) If they do not vote, it is assumed they have left.

**Mr Galland.** — In that case they cannot ask for a quorum.

*(The majority of the Members of the Liberal and Democratic Group left the Chamber)*

**President.** — I call Mr Buchou.

**Mr Buchou.** — (F) Mr President, we can only express regret at what has happened and it is obvious that there is no way that the text will be adopted at this sitting if the quorum is required. Consequently, I suggest that you propose to the House that the vote be held at the next sitting in circumstances to be determined by the Bureau to ensure that we have a quorum.

**President.** — The Rules of Procedure are quite explicit on this point, Mr Buchou. The vote on the motion for a resolution must take place tomorrow.

I call Sir Peter Vanneck.

**Sir Peter Vanneck.** — If I may, Mr President, because it is conceivable that we may come to another electronic vote this afternoon. This is really a slightly technical point. Without in any way implying any criticism of the Chair, may I suggest that the idea of the usher taking out cards for Members who are not present is perhaps not the best idea. Perhaps the best idea is that Members should be quite clear that their cards are their personal property and they bring them in. If we had done as you suggested and the ushers had taken the cards out, a Member coming in...

**President.** — The Bureau has discussed the problem and we are reviewing the situation and trying to do what you propose. But technically this is not yet possible and we are wasting time discussing the matter.

I call Mr Clinton.

**Mr Clinton.** — Could I ask you, Mr President, at what time we have the vote tomorrow and what we do

if we have no quorum?

**President.** — The vote tomorrow will be at 10.30, and we will see what happens after that.

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**President.** — We shall now consider the motion for a resolution contained in the *Boyes report (Doc. 1-75/80): Decision concerning an interim programme to combat poverty.*

*(Parliament adopted the preamble)*

On paragraph 1, Mr Frischmann has tabled Amendment No 5 seeking to reword the paragraph as follows:

Acknowledges that the developing economic crisis has the effect of aggravating unemployment and inflation in the Community, hitting hardest the most vulnerable and deprived sections of the population which include large numbers of elderly people, a very large proportion of young people and women, migrant workers and the handicapped, and prevents them from acquiring a stable and decent standard of living.

What is the rapporteur's position?

**Mr Boyes, rapporteur.** — Mr President, I find it personally acceptable because it was my original text. However, I have to point out to Parliament that the committee rejected it.

*(Parliament adopted Amendment No 5 and then paragraph 2)*

**President.** — After paragraph 2, I have two amendments seeking to insert a new paragraph:

— Amendment No 1 by Mrs Maij-Weggen on behalf of the Group of the European People's Party (CD Group):

- 2a. Believes that in times of economic crisis, anti-poverty measures must be strengthened rather than weakened, since the weaker members of society are the first to suffer from the economic crisis;

— Amendment No 4 by Mr Frischmann:

- 2a. Points out that one of the prime responsibilities of States is to take social measures to combat poverty; considers that the priority action to be taken by the Member States of the Community should include:
  - a) the raising of low wages,
  - b) a substantial employment policy starting with the public sector,

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- c) the removal of all wage discrimination,
- d) the extension of social protection (social security) and the raising of family allowances,
- e) the adoption of the 35-hour working week, a fifth week of paid holiday and retirement at 55 for women and 60 for men,

What is the rapporteur's position?

**Mr Boyes, rapporteur.** — I am in favour of Mrs Maij-Weggen's amendment and against Mr Frischmann's amendment.

*(Parliament adopted Amendment No 1, rejected Amendment No 4 and adopted paragraphs 3 to 6)*

**President.** — After paragraph 6, Mr Oehler on behalf of the Socialist Group has tabled Amendment No 2 seeking to insert three new paragraphs:

- 6a. Calls on the Member States to make every possible effort, using legal, economic and social means, to combat poverty;
- 6b. Requests the Commission and Parliament's Committee on Social Affairs and Employment to monitor national schemes to combat poverty and to report to Parliament thereon;
- 6c. Suggests that pilot projects under the Community's programme to combat poverty should be defined more closely than in the past between the beneficiary associations and the Commission, and that assistance should not be related to the expenditure incurred but should be granted on the basis of the project accepted and at the beginning of the operations so as to eliminate the need to resort to private or public loans before Community subsidies are paid out.

What is the rapporteur's position?

**Mr Boyes, rapporteur.** — I am in favour, Mr President.

*(Parliament adopted Amendment No 2 and then paragraphs 7 and 8)*

**President.** — After paragraph 8, Mr Frischmann has tabled Amendment No 3 seeking to insert a new paragraph:

- 8a. Recommends the Committee on Social Affairs and Employment to set up a working party to assess the poverty situation in the Community as a whole with regard to the standard of living of families, housing, health, employment, access to culture and leisure; this working party should further draw up a report with a view to a bill of rights for workers and the family on the basis of the most advanced existing social legislation and the demands of the major European trade union organizations.

What is the rapporteur's position?

**Mr Boyes, rapporteur.** — I am in favour, Mr President.

*(Parliament rejected Amendment No 3)*

**President.** — I call Mrs Squarcialupi for an explanation of vote.

**Mrs Squarcialupi.** — *(I)* Mr President, I wish to inform the House on behalf of the Italian Members of the Communist and Allies Group that we shall be abstaining from the vote on the Boyes report. At the same time, however, I feel I have to express my astonishment that one or two amendments, which were quite sound in my view, were rejected without any political consideration but simply on the basis of party allegiance. You may wonder why we are abstaining. We recognize the need to finance an interim programme to combat poverty but we also think it is time to adopt a new approach, and so find new solutions, to the problem of poverty. We are concerned that this programme may set up another system of welfare handouts and that the poor may be labelled a separate class of society which has to be considered in a condescending light.

We believe that the fight against poverty must be situated in the overall context of Community and national policies. It has to be part of a broad-fronted approach which does not view poverty as a separate phenomenon, worthy of attention only now and then. The problem has to be seen in the context of economic imbalance, a class-dominated society and a one-sided relationship between the exploiters and the exploited. The fight against poverty, Mr President, must not be an excuse for the sociological analysis of the poor, and it must not be the subject of enlightened interest or, even worse, of learned debate on the various types of poverty.

Poverty means being shut out from what others have, not thanks to any quirk of fate, but because they have exploited others. In our opinion, this whole situation has to be tackled by realigning social relations. We have to establish new relations in human terms and achieve a new kind of solidarity which makes proper use of democratic practices. Above all, we need a new economic order. We need more than action programmes to solve these problems. In a Community which is as static as ours and with a Council which is so unresponsive, such programmes are likely to turn into the kind of mockery which definitely cannot be accepted by those of us who are genuinely democratic and progressist.

**President.** — I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

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**President.** — We shall now consider the motion for a resolution contained in the *Balfour report (Doc. 1-61/80): Increase in oil prices.*

*(Parliament adopted the preamble and paragraphs 1 to 4)*

After paragraph 4, Mrs Charzat and Mr Schmid have tabled Amendment No 10 seeking to insert a new paragraph:

- 4a. Points out that the closing of the gap between spot and mainstream market prices is due to the widespread practice of companies paying the producing countries premiums on which the renewal of their contracts is contingent and which are determined directly on the basis of the current spot market prices.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — Mr President, I am against this amendment.

*(Parliament rejected Amendment No 10)*

**President.** — On paragraph 5, Mrs Charzat and Mr Schmid have tabled Amendment No 11 seeking to reword the paragraph as follows:

Points out that the rise in oil prices is due to a number of important factors, including the sudden shortfall of supplies from Iran and subsequent actions taken by producing countries, and that the industrialized countries through their failure to honour the commitments entered into at the Tokyo summit have failed to adapt sufficiently to earlier price rises.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — I am against the amendment.

*(Parliament rejected Amendment No 11 and adopted paragraph 5)*

**President.** — On paragraph 6, Mrs Charzat and Mr Schmid have tabled Amendment No 12 seeking to reword the paragraph as follows:

Further points out that the price of petroleum products to the consumer can also be strongly influenced by differing governments economic and fiscal policies.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — I think I can recommend Parliament to accept this amendment, Mr President.

*(Parliament adopted Amendment No 12)*

**President.** — On paragraph 7, Mrs Charzat and Mr Schmid have tabled Amendment No 6 seeking to

reword the paragraph as follows:

Notes that the small quantities negotiated on the spot market directly influence, through the price control laws, the maximum prices fixed nationally for the main quantities in seven Member States.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — I am against this amendment, Mr President.

*(Parliament rejected Amendment No 6 and adopted paragraph 7)*

**President.** — I have two amendments on paragraph 8:

- Amendment No 1, tabled by Mr Deleau on behalf of the Group of European Progressive Democrats, seeking to reword the paragraph as follows:

Considers that, as justification for the new increases in the price of oil, the producer countries cite the fact that on the free market, in particular the Rotterdam market, oil is being bought at prices higher than those fixed by the Organization of Petroleum Exporting Countries;

- Amendment No 7 by Mrs Charzat and Mr Schmid seeking to delete the word *governments*.

The two amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — I am against both amendments, Mr President.

**President.** — I call Mr Schmid.

**Mr Schmid.** — (D) I withdraw the amendment, Mr President, because it has become redundant.

*(Parliament rejected Amendment No 1 and adopted paragraph 8)*

**President.** — On paragraph 9, Mr Deleau on behalf of the Group of European Progressive Democrats has tabled Amendment No 2 seeking to reword the paragraph as follows:

Considers it essential for a form of discipline to be introduced so that the exporting countries cannot use the free market to justify a further increase.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — I am against this amendment, Mr President.

**Balfour**

*(Parliament rejected Amendment No 2 and adopted paragraph 9 and then paragraphs 10 to 12)*

**President.** — On paragraph 13, I have two amendments seeking to reword the paragraph:

- Amendment No 3 by Mr Deleau on behalf of the Group of European Progressive Democrats:

Stresses the need for discipline on the part of the consumer countries in particular as regards energy price levels;

- Amendment No 9 by Mrs Charzat and Mr Schmid:

Requests the Commission to draw up a proposal for a regulation with a view to the effective regulation of the spot markets laying down, among other things, the following obligations to which the oil companies and the import trade in the oil sector would be subject:

- compulsory registration for the above firms and companies which, in addition to their legal form, would have to submit appropriate guarantees with regard to both the volume and the publication of their financial condition and guarantees with regard to their infrastructure, their storage capacity and, in the case of oil companies, their refining and delivery capacity;
- obligation to maintain minimum stocks in order to guarantee security of supply to the Community;
- obligation for importing firms and companies to submit long-term supply contracts, the terms of which are genuinely satisfactory as regards regulatory and maintenance of deliveries in the event of difficulties in the supply situation;
- obligation for importing firms and companies to submit sales certificates, failure to produce which would lead to their being forbidden to conduct trade in oil within the territory of the Community;
- obligation for importing firms and companies to declare to the member countries the current prices corresponding to individual agreements and quantities in respect of all their business, whereupon the Member States would forward this information to the Commission. In the light of these data the Commission would draw up a 'code of conduct' to which the oil companies and importing firms would have to adhere. In the event of violations of this code, firms would be deprived of the right to import and market oil in the Community countries.

I also have two amendments seeking to insert a new paragraph:

- Amendment No 4 by Mr Seligman:

13a. Considers, however, that the introduction of a facility for buying and selling oil price futures would help to stabilize the spot market in oil and oil products;

- Amendment No 8 by Mrs Charzat and Mr Schmid:

13a. Requests the Commission further to draw up a proposal for the organization of the market guaranteeing transactions and prices, and including an offi-

cial quotation of the price of the various types of oil and the licensing of authorized intermediate trade with exclusive rights to conduct business on the spot markets.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — Mr President, I am against Amendment No 3. I take no position — I leave Parliament to judge — on Amendment No 4 by Mr Seligman, and although Amendment No 9 is a constructive and well thought-out amendment, I believe it is too prescriptive, and I think that our committee would not have accepted it, and so on balance I am against it. I am also against Amendment No 8.

*(Parliament successively rejected Amendments No 9 and No 3 and adopted paragraph 13, Amendment No 4 and paragraph 14; the rejection of Amendment No 9 meant that Amendment No 8 fell)*

**President.** — I have two amendments on paragraph 15:

- Amendment No 5 by Mr Seligman seeking to add the following new indent:  
harmonization of fiscal policies of Member States on petrol products;
- Amendment No 13 by Mrs Charzat and Mr Schmid seeking to reword the paragraph as follows:  
Strongly calls for the implementation of common energy policies defining specific target figures and financial resources for each Member State among whose central elements should be:
  - agreed target levels of oil imports
  - an increased commitment to energy conservation
  - the development of alternative energy sources.

The two amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Balfour, rapporteur.** — I would accept Amendment No 5, Mr President, and reject Amendment No 13.

*(Parliament rejected Amendment No 13 and adopted successively Amendment No 5, paragraph 15 thus amended and paragraphs 16 and 17)*

**President.** — Members may now give explanations of vote.

I call Mr Fernandez.

**Mr Fernandez.** — (F) Mr President, when historians come to look at the history of our age in a few centu-

**Fernandez**

ries' time, they will undoubtedly come to the conclusion that the price of oil was the excuse for one of the biggest political cover-ups of the age. It is true, however, that the truth is now emerging and that people are having a hard job claiming that oil is the sole cause of the crisis. Very distinguished bodies like GATT have already recognized this fact. The real reasons for higher oil prices are not to be sought exclusively — as this report makes out — in the cutback of supplies from Iran and in never-ending speculation on the spot market. The underlying causes are to be found in the inflation which rages in our countries.

What is bothering you in this whole affair is not that Iran has cut back on production but that it is no longer the compliant political and strategic partner which it used to be. Another thing that bothers you is that the justifiable increase in the price of oil shows up the structural weakness in the foreign trade of a country like ours, since the most serious trade gap for French independence and the French economy is the trade gap we have with the United States and with Germany.

Mr Balfour has been very skilful in covering up the real causes of inflation but his report is singularly lacking in boldness when it comes to offering solutions to curb inflation and to endeavour in fact to overcome the crisis. The only thing that is proposed is market transparency. The French Communists are not against this, I might add. However, the possibility of price control is cast aside, which is just like tending the patient to keep the family happy while in fact you are doing nothing to curb speculation. Indeed, there is nothing said about the absolute scandal of the vast profits of the oil companies. For example, the Elf Aquitaine company declared profits of 12 000 million for 1979 while Elf Total declared 9 000 million. We really have to get some genuine control over these companies and their contracts so that we can set up a proper dialogue with the producing countries. The Socialist amendments...

**President.** — I have to tell you, Mr Fernandez, that you have gone over your three minutes.

*(Applause)*

**Mr Fernandez.** — (F) ... there has in fact to be some control of the companies over their contracts. For this reason, even though we are not against the idea of market transparency, we shall vote against the report.

**President.** — I call Mrs Charzat.

**Mrs Charzat.** — (F) Mr President, ladies and gentlemen, the Socialist Group intends to abstain from voting on the Balfour report. The transparency which the rapporteur envisages is simply the maintenance of

the *status quo* of the spot market. It is our view that we have to take a long-term rather than a short-term approach to oil production and trading and to the spot market. A cutback in production and a rapid increase in the price of crude are possibilities which are not unlikely in the coming years. Europe's extremely vulnerable position with regard to oil imports could well get worse during any oil crisis as a result of unbridled speculation pushing prices up, as happened in autumn 1979 for example, and the resulting lack of Community solidarity. If we take a long-term approach, it means starting now to improve transparency and to seek ways of controlling the spot market. We hope that before there is any harmonization of oil price taxation it will be possible to introduce a price certification system for imported cargoes and adopt a code of conduct for operators so that illegal deals and speculation can be circumvented. There is still time for the EEC to rescue the chances of concerted action by the Member States in the energy sector and to reject the mistaken inevitability of the energy crisis. In closing, let me say that I cannot stand those who do most of the talking here about a common energy policy but who then refuse to take the basic first steps forward which are required.

**President.** — I call Mr Leonardi.

**Mr Leonardi.** — (I) Mr President, my group will vote against the Balfour motion, not because Rotterdam is a market but because it is a bad market.

**President.** — I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

I call Mr Bangemann on a point of order.

**Mr Bangemann.** — (D) Mr President, as an expression of protest my group has left the Chamber — I want to state that again here for the sake of the minutes — and the reason for their exit is of such significance and consequence for the future work of Parliament that on behalf of the group I must request an adjournment, so that the chairmen of the political groups can discuss with the Chair how to interpret the Rules of Procedure on the subject of the quorum. I think this is absolutely essential, Mr President, because if this is going to be the rule, it means that 30 Members of this House can bring this Parliament to a standstill in 95 % of cases. This Parliament would then be worth little more than the Council of Ministers, about which we are always complaining that it is unable to make decisions. Things are not one whit better here. I request an adjournment.

*(Applause from various quarters on the right and centre)*

**President.** — I call Mr Arndt.

**Mr Arndt.** — (D) Mr Bangemann's proposal to discuss this matter is all very well but, Mr Bangemann,

Arndt

the group chairmen are not competent in this matter and neither is the enlarged Bureau. You talked about interpreting the Rules of Procedure. We have a Committee on the Rules of Procedure for that. I hope you realize this, because otherwise we set up this committee for nothing.

Secondly, you are seeking an interpretation of the Rules of Procedure but the Committee on the Rules of Procedure has expressed an opinion on this on several occasions...

(Protest)

... oh yes it has! And contrary to what Mr Galland said, we have already discussed in the House the fact that someone can be present in the Chamber without taking part in the vote and that there is nothing wrong with that. It is down in black and white in the Rules of Procedure and it has been practised here. I could remind you of the election of the President of this House, when the same problem arose. I do not think it is right that the representative of your group should agree to a particular procedure at the meeting of the group chairmen and that Mr Galland should then, as he did earlier, attack the chairman of the Socialist Group on account of this agreement to which your representative was a party...

(Interruption)

... of course this has something to do with it. They walked out in protest against a specific incident. I am quite willing for the group chairmen to discuss exactly what kind of use should be made of the Rules of Procedure in future. However, when someone in the House uses a Rule of Procedure which has been agreed on, he is using a democratic right whether he likes it or not.

(Applause)

**President.** — Mr Bangemann has asked for a 15-minute adjournment. I am happy to grant this, although I stand by my interpretation of the Rules of Procedure.

(Loud protests)

It is customary to grant an adjournment when this is requested by the chairman of a political group.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — If it had been a simple request for an adjournment, I would have followed your lead, Mr President. I do not object to an adjournment if Mr Bangemann wishes one for his own private purposes. But it really is ludicrous to say that this House is brought to a standstill because half of its Members cannot be here. I thought we were a serious Parlia-

ment. Is it honestly right for anybody to say — let alone the president of the Liberal Group — that because we cannot get 206 Members present we are bringing this House to a standstill? That is the most unutterable nonsense that I have ever heard.

(Applause from certain quarters of the European Democratic Group)

**President.** — I call Mr Glinne.

**Mr Glinne.** — (F) What I was going to say has been neatly expressed by Mr Scott-Hopkins. I would add that an adjournment would delay to the same extent the end of the meeting of the enlarged Bureau which is taking place at the moment.

**President.** — The sitting is suspended for 15 minutes.

(The sitting was suspended at 4.30 p.m. and resumed at 4.50 p.m.)

**President.** — The sitting is resumed.

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**President.** — The next item is the vote on the *Dankert motion for a resolution (Doc. 1-175/80): Need for rapid adoption of budget.*

(Parliament adopted the preamble and paragraphs 1 to 4)

On paragraph 5, I have two amendments seeking to reword the paragraph:

— Amendment No 1 by Mr J. M. Taylor on behalf of the European Democratic Group:

Regards the integrity and indivisibility of the Community budget as essential to

- its budgetary competence
- its ability to obtain an acceptable balance of expenditure, and
- the minimizing of supplementary budgets

and accordingly would not welcome a draft budget which is incomplete or in which the entries in certain critical and unresolved areas are merely provisional;

— Amendment No 3 by Mr Jaquet and others:

Considers that if the Council should unfortunately prove unable to make agricultural policy decisions before 1 June, the draft budget should be based on the Commission's preliminary draft budget of 29 February, as rectified in the light of the budgetary repercussions which would ensue from an average increase of 7.9 % in agricultural prices.

These amendments are mutually exclusive.

**President**

What is Mr Lange's position?

**Mr Lange, chairman of the Committee on Budgets.** — (D) This is rather an odd situation, as the President of the sitting is also the rapporteur. However, ladies and gentlemen, in line with the opinion of the Committee on Budgets and the conclusions which have been incorporated in paragraph 5, I have to recommend rejection of both amendments.

(Parliament rejected Amendment No 1 and then Amendment No 3)

**President.** — I put paragraph 5 to the vote.

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

Paragraph 5 is adopted.

I call Mr Seal on a point of order.

**Mr Seal.** — Mr President, in view of the fact that Parliament has spent something like £ 750 000 on the electronic voting equipment, would it not be preferable to use this rather than the antiquated method of voting by standing and sitting?

(Mixed reactions)

**President.** — Mr Seal, I must point out to you that it is up to the Chair to decide how the vote will be taken. The equipment has considerable advantages but there is always some time lag between the votes. In this case the Chair can opt for other methods of voting.

On paragraph 6, Mr Diana has tabled Amendment No 5 seeking to reword the paragraph as follows:

Recalls its resolution of 26 March 1980 on agricultural prices and related measures and, in particular:

- (a) the need to guarantee farmers a fair income
- (b) the need to assess what savings can be achieved by the measures to bring markets back into equilibrium
- (c) the need to contain the increase in expenditure within limits compatible with a sound balanced budget and complying with the criteria underlying the Commission proposals.

What is Mr Lange's position?

**Mr Lange, chairman of the Committee on Budgets.** — (D) Mr President, ladies and gentlemen, I should like you careful attention on this point. The three points of Mr Diana's proposal are essentially identical with what the Committee on Budgets has said in paragraph 6. The opening sentence of the amendment, however, contains three words which are not in paragraph 6 of the committee's motion, and I recommend the incorporation of these three words. The rest is

more or less the heading of the agricultural prices package. However, the amendment drops the reference to the fact that Parliament on 26 March called upon the Council to take into account these points. I suggest that we take a decision on the following text which I hope will meet with Mr Diana's approval:

Recalls that in its resolution of 26 March 1980, concerning agricultural prices and related measures, Parliament called upon the Council to take into account . . .

This is in line with the original text which you produced as rapporteur, Mr President. The new version would also include the words *and related measures* and would be a fusion of the two texts.

**President.** — I call Mr Diana.

**Mr Diana.** — (I) Mr President, I have the impression that Mr Lange basically agrees to my amendment and that there is only one point on which we differ. My amendment in fact states that Parliament *recalls its resolution on . . . prices*. Essentially, what I want clear — and I think Parliament will agree with me on this — is that we want to recall our resolution in its entirety, all 110 paragraphs, including those which have been specially picked out under subparagraphs (a), (b) and (c). I do not think there is any basic disagreement with the Committee on Budgets and I feel that Parliament has to recall its own resolution.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) I get the feeling that some misunderstanding has arisen here. Just as you do, Mr Diana, the Committee on Budgets refers in its text to the resolution of 26 March, and I have already said that we want to incorporate the phrase you added: *agricultural prices and related measures*. The point is that the Committee on Budgets said that with this resolution we called on the Council to do something definite while you fail to mention the Council in your text. I reckon you can accept the reference to the Council in connection with the whole resolution, just as you yourself want. I do not think you should have any difficulty over this. We can both be satisfied with this revised version of paragraph 6, Mr Diana.

**President.** — I think the situation is clear, Mr Lange. At any rate, I cannot alter the text of the motion presented by the Committee on Budgets because there are no written amendments available in the various official languages. I am therefore obliged to ask the House to vote on Mr Diana's amendment and then on the text of the Committee on Budgets.

(Protest by Mr Lange)

I put Amendment No 5 to the vote.



**President**

As the result of the show of hands is doubtful, a fresh vote will be taken by sitting and standing.

Amendment No 5 is adopted.

I call Mr Boyes on a point of order.

**Mr Boyes.** — The last two hours this afternoon have been one big pantomime. I cannot understand, as my colleague Mr Seal said earlier, why when we have a very sophisticated system we are going through a charade of voting by show of hands and sitting and standing when by pressing a button we could get an instantaneous result. The other day we had a problem because it took three and a half minutes for a printout. But when you take a simple vote, you get that within a matter of seconds. What is the point of Parliament installing nearly a million pounds' worth of equipment if we are going to go through this charade of sitting and standing, voting and one thing or another? Can we not have it done properly with the electronic system?

**President.** — Mr Boyes, I think it was clear just half an hour ago, when we had to vote without a roll call, that it takes a few minutes before the machine is able to function again. My conclusion from the experience of this afternoon is that it takes more time at the moment to vote with the machine than by a show of hands, unless we have to be very precise in the counting.

On paragraph 7, Mr Jaquet and others have tabled Amendment No 4 seeking to delete the words *is necessary for a few years, and*.

What is Mr Lange's position?

**Mr Lange, chairman of the Committee on Budgets.** — (D) In accordance with the opinion of the Committee on Budgets: against.

*(Parliament rejected Amendment No 4 and adopted paragraph 7)*

**President.** — On paragraph 8, Mr J. M. Taylor on behalf of the European Democratic Group has tabled Amendment No 2 seeking to delete the paragraph.

What is Mr Lange's position?

**Mr Lange, chairman of the Committee on Budgets.** — (D) For the same reason, against.

*(Parliament rejected Amendment No 2 and adopted paragraph 8 and then paragraphs 9 to 11)*

**President.** — Members may now give explanations of vote.

I call Mr Baillot.

**Mr Baillot.** — (F) The issue at stake at the moment, Mr President, is not whether we should come out in favour of having a budget for 1980 as quickly as possible. What we have to vote on here in fact is a text, the authors of which are hoping it will have some impact on the Council so that it comes up with a new draft budget for 1980 before the holidays.

This stems from the desire, unceasingly exhibited by most Members in this House over the past year, to win an increasingly bigger say for this Parliament. The text we have to vote on here will not achieve its aim. The fact is that it does not really bring out the reasons why we still do not have a budget for 1980. The real point is that the text here dodges the real issues, which are political and not legal and certainly not of a financial order. The reason why there is still no budget is because — as we pointed out during yesterday's debate — the Council has still not managed to reconcile the differences between the Member States, which are a reflection of the differences between the multinational companies. There is an obvious *impasse* over vital issues such as the common agricultural policy, the British contribution and, in more general terms, the inability of Community policy to adapt to the serious crisis, the dreadful effects of which can no longer be tolerated by Europe's workers, especially the farmers.

When it rejected just this morning the motion by my colleague Mr Maffre-Baugé for a 7.9 % increase in agricultural prices, the House showed that it was settling a little deeper in this *impasse*. We shall therefore be voting against the motion, and this negative vote translates our clearly stated determination to cast aside all vagueness and to explain to the general public the real reasons behind the present situation.

**President.** — I call Mr Poncelet.

**Mr Poncelet.** — (F) Mr President, ladies and gentlemen, this motion for a resolution clearly illustrates the embarrassing situation of those who rejected the Community budget in the hope of making a stand against the common agricultural policy which had been so laboriously built up over the years.

First of all, let me say in public that I am grateful to the rapporteur, Mr Dankert, for at long last admitting all the negative repercussions for the Community, and especially for the agricultural sector, which stemmed from the recommendation which he and all his friends were pushing at the time of the budget vote, namely, to throw out the budget.

Mr Dankert has in fact stated in paragraph 2 of his motion:

The Community will not be able to meet some of its financial obligations after the middle of the year.

**Poncelet**

This is true and it means that our farmers, if we carry on with the system of provisional twelfths, will not be getting the monies which they are entitled to expect under the price or guidance sections of the EAGGF.

I would remind you, ladies and gentlemen, of Mr Ansquer's words at the time, when he warned against the negative repercussions for the farming community of the vote that was to be taken on the recommendation of the rapporteur, Mr Dankert. He told us then to watch out because there would be trouble.

Furthermore, with this resolution the rapporteur is inciting some of our colleagues to change their minds. Paragraph 6 is quite simply a reworking of Mrs Barbarella's amendment, which many of us rejected on the grounds that it called on the European Parliament to shirk its responsibilities by failing to fix in a clear fashion a rate of increase for agricultural prices. Anyway, the rapporteur is well aware that he is on shaky ground and it is for this reason that he has included paragraph 5 with its contradiction — but there is more than one contradiction in this motion. The whole thing is brilliant. I have never seen so many contradictions in so few lines! Paragraph 5 . . .

**President.** — I think you are going to go over your time, Mr Poncelet. You have only eight seconds left.

**Mr Poncelet.** — *(F)* Please play the game, Mr President. Since I am getting eight seconds, I just want you to have another look at paragraph 11. A few minutes ago a couple of Members were describing our work as a pantomime. Do you not think it is ridiculous to threaten in paragraph 11 to take the Council to the Court in Luxembourg . . .

*(The President prevented the speaker from continuing)*

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

**Mr Scott-Hopkins.** — Parliament has not supported my group's amendment to this report. Nonetheless our view that Parliament is making a mistake in going back on its decisions of December last year is in no way altered.

We in my group believe that a solution in Luxembourg the weekend before last to the problems which face the Community — including both the British problem and the agricultural problems, all of which are insolubly linked — was very nearly reached. Let us pray that between now and Venice that gap will be closed, and closed constructively. We believe in my group in the indivisibility of the budget. We do not want to see it fragmented. But equally, Mr President, we can understand the anxiety of our colleagues from France and Germany, the Benelux and our colleagues in my group who come from Denmark. They want to see progress

made particularly in the agricultural field as far as their farmers are concerned. But we disagree entirely with the idea that nation states can take unilateral action outside the Treaties. Therefore we cannot possibly support anything which is going to lead to that action and we believe that, by voting against this report, that is exactly what we would be doing. If the House did vote against this report, then Member States would be encouraged, as we have already heard from one Member State, to break the articles of the Treaty by bringing in national aids to their farmers, and others would probably follow. Thus the common agricultural policy would be shattered. The Commission, which is the guardian of the Treaties, would be forced to take them to the Court of Justice. For those reasons we will not vote against it. But because there are items in the report which are offensive to us, we find ourselves unable to support it. Therefore the only honourable course that my group can take, and I will ask my honourable friends to follow, is to abstain.

Let me in conclusion say to the House that no matter what opinions may be formed about what has happened in the last three or four hours, all of us in my group are passionate believers in the European cause and we want to see this House act as the conciliating machinery when disputes arise between Member States which cannot be reconciled at Council or other level. We believe that this is our task and my group will collaborate to the full with other groups and other nations to fulfil that task, not only today but in the months ahead.

*(Applause from certain quarters in the centre and on the right)*

**President.** — I call Mr Josselin.

**Mr Josselin.** — *(F)* Mr President, ladies and gentlemen, the French Socialists will be unable to vote for the motion for a resolution by the Committee on Budgets. On their behalf I just want to outline the reasons for this and at the same time say how sorry we are that we cannot support a move which aims to demonstrate Parliament's readiness to assume its responsibilities, especially when the survival or the collapse of the Community is at stake.

We cannot vote for this test because it incorporates and sanctions the provisions of what has come to be known as the 'Luxembourg compromise', which got the approval of eight Member States. Although we regard the compromise as a significant step forward when compared with the initial proposals, we do not think that the decision to adopt an almost blanket 2 % for the coresponsibility levy on milk and to limit to 5 % the average increase on European farm prices will enable us to attain the goal we have always claimed to seek, that is, to ensure that farmers have an income comparable with that of other professional categories. This, after all, was implicit in previous agreements.

**Josselin**

Given the expected inflation rate in France, farm prices there would have to go up by more than 12 % just to maintain the standard of living of our farmers. If you take into consideration the devaluation of the green franc, this would mean that prices in Europe would have to go up by 7.9 %. The French Socialists have been firm on this point since talks started, and unhappily the House has just rejected the motion which we tabled on this matter.

Be that as it may, I welcome the initiative of the Commission on Budgets in pointing out to the Commission and the Council their respective duties and responsibilities.

Mr President, ladies and gentlemen, if we do not have an agreement on prices by 1 June, the common agricultural policy will be in danger, serious danger, of collapse. Although we are asking for it to be thoroughly overhauled, we realise that with the common agricultural policy the whole future of European unity is at stake. The French Socialists will certainly not rejoice at the prospect of such a collapse and we feel that Parliament has the right to press the Commission to do everything necessary to ensure that this Europe of ours is not soon replaced by an immense legal void, to be quickly inhabited by the spirits of nationalism.

**President.** — I call Mrs Castle.

**Mrs Castle.** — Mr President, the British Labour Group is going to vote against this report. We share the anger of our Socialist colleagues at the failure of the Council of Ministers to come forward with a draft budget again.

It is quite clear that the Council of Ministers are treating this Parliament with contempt. This is all the more reason why Parliament should stand firm by its own original views. For Parliament to make the first overtures in this form is in my view to damage its whole public image and authority. The right way to deal with the problem of the Council of Ministers' intransigence is surely not to beg the Council to introduce a draft budget leaving unsettled and unresolved the issue of agricultural prices and agricultural policy when agricultural spending is clearly central to the issue of budgetary control, taking 70 % of the budget.

You say 'Oh well, leave that unsettled and let us get a draft budget, somehow, anyhow'. That is to undermine in my view the dignity of this Parliament. What is more, to suggest as this document does, that the draft budget should be based on the Commission's compromise proposals at Luxembourg is to give those proposals, whether that is the intention or not, a certain validity. They become the starting point from which you begin to build up the pressure for further price increases.

So it is to embody in our proposals the exact opposite

of what we were standing for last December — because those Commission proposals double the level of price increases — that the Commission itself was telling us in February that that was the absolute maximum this Community and its budget can afford.

What is more, we all know that those compromise proposals of Luxembourg water down and postpone the attack on the surpluses that are bringing the agricultural policy into disrepute.

For these reasons we in the British Labour Group regret that we have to differ from so many of our Socialist colleagues on this issue, though we stand firm with them in resisting the attempts of the Council of Ministers to denigrate and despise this Parliament.

**President.** — I call Mrs Cassanmagnago Cerretti.

**Mrs Cassanmagnago Cerretti.** — (*I*) Mr President, I think it is only proper in this debate to thank the members of the Committee on Budgets who have produced a motion which, all things considered, reflects Parliament's unison.

First of all, the motion respects the Treaties of Rome. Secondly, Parliament is stressing its own strategy to urge adoption of the budget. Thirdly, it states that the prices policy approved in Luxembourg must be implemented as soon as possible to avoid any ruptures within the Community. And fourthly, it also points out that room has to be found for the British problem.

The unison of these proposals in the motion means that they get the support of the majority of us here and at the same time it clearly reveals Parliament's political desire to equip the Community with its own budget as soon as possible and above all to remind the various institutions of their particular responsibilities.

**President.** — I now close the list of speakers.

I call Mr Nord.

**Mr Nord.** — (*NL*) Mr President, my Group will vote unanimously in favour of the text tabled by the Committee on Budgets. We shall do so because we feel that it is now Parliament's duty, as one half of the budgetary authority, to point out to the other half of the budgetary authority, i.e. the Council, exactly where its duty lies. We do not feel the least bit guilty about rejecting the budget in December. It is not that we have suddenly become nervous and are sorry that we rejected the budget. On the contrary, we know that we merely exercised our right and that it is now the Council's duty, in accordance with the Treaties, to submit a new draft budget. This is all we ask of the Council at the moment. And it is not as if we were returning to the attitude adopted by Parliament

**Nord**

previously or going cap in hand to the Council to ask whether it would please be so kind as to submit another draft budget.

We are drawing the Council's attention to its obligations under the Treaty. Mr Colombo told us yesterday that before the end of the month more attempts would be made to solve the main problems standing in the way of a new draft budget...

**President.** — Mr Nord, would you please bring your remarks to a close. You have exceeded your three minutes.

**Mr Nord.** — (NL) ... So we shall vote in favour because we believe that with this resolution we can help, however modestly, to ensure that a new draft budget is actually submitted in this year's June part-session.

**President.** — I call Mr Gouthier.

**Mr Gouthier.** — (I) Mr President, ladies and gentlemen, the Italian Members of the Communist and Allies Group will vote for the motion, just as they did in committee. We have always followed a cooperative approach with the aim of ensuring continuity in political terms to the important and positive decisions which Parliament has taken, especially on the budget and agricultural prices, in the current year.

We believe that this motion reinforces this continuity in a very responsible manner. With this motion Parliament is demonstrating once again that it can cope with the situation and we want the other institutions of the Community, which also have decisive responsibility on budgetary matters, to act likewise. Consequently, as I said, we shall be casting a definite vote in favour of the motion.

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

**Mr Glinne.** — (F) Mr President, the Socialist Group requests that the vote on the motion for a resolution as a whole be taken by roll call.

**President.** — We shall use the electronic voting system.

I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

(Applause from various quarters)

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**President.** — We shall now consider the motion for a resolution contained in the *Radoux report* (Doc. 1-165/80): *EEC-Yugoslavia Cooperation Agreement*.

(Parliament adopted the first three indents of the preamble)

On the fourth indent of the preamble, Mrs Bonino and others have tabled Amendment No 5 seeking to delete the indent.

What is the rapporteur's position?

**Mr Radoux, rapporteur.** — (NL) I am against, Mr President.

(Parliament rejected Amendment No 5 and adopted the fourth indent of the preamble)

**President.** — After the fourth indent of the preamble, Mrs Bonino and others have tabled Amendment No 4 seeking to insert a new indent:

deploring the fact that the European Parliament has been excluded from the preparations for this agreement, which is all the more serious in view of the exceptional importance which attaches to the definition of these ties.

What is the rapporteur's position?

**Mr Radoux, rapporteur.** — (NL) I am against, Mr President.

(Parliament rejected Amendment No 4 and adopted the fifth, sixth and seventh indents of the preamble)

**President.** — After the seventh indent of the preamble, Mrs Gaiotti de Biase has tabled Amendment No 1 seeking to insert a new indent:

aware that cooperation between the economies on an equal basis and mutual cooperation in fostering development are essential political instruments for strengthening world peace.

What is the rapporteur's position?

**Mr Radoux, rapporteur.** — (NL) I am against, Mr President.

(Parliament adopted successively Amendment No 1, the eighth indent of the preamble and paragraphs 1 to 3)

**President.** — On paragraph 4, Mrs Gaiotti de Biase has tabled Amendment No 2 seeking to reword the paragraph as follows:

**President**

Underlines the importance of economic and technical cooperation between the two parties and considering that the aims set out in the Cooperation Agreement in the various sectors are not limitative, hopes that in applying the Agreement realistic and effective cooperation schemes will be implemented with a view to contributing to the rapid and regionally balanced development of the Yugoslav economy.

What is the rapporteur's position?

**Mr Radoux, rapporteur.** — (NL) I am in favour, Mr President.

**President.** — Amendment No 2 has just been withdrawn by the author.

(Parliament adopted paragraph 4 and then paragraphs 5 to 9)

I have two amendments on paragraph 10:

— Amendment No 3 by Mrs Gaiotti de Biase seeking to reword the paragraph as follows:

Stresses that during the period of validity of the Agreement such projects in the communications and transport sector as are essential to strengthen overall trade in the Adriatic, prevent the economic and geographical isolation of Greece and maintain direct trade links between the border regions of the EEC and the adjacent regions of Yugoslavia must be implemented;

— Amendment No 6/rev. by Mrs Bonino and others seeking to expand the paragraph as follows:

... be implemented, both by means of the instruments provided in the agreements for infrastructures in Yugoslavia and by means of special instruments as regards the road, rail and sea infrastructures linking Munich and the ports of Trieste and Monfalcone, as well as the east-west links, in particular those between Trieste and Gorizia on the one hand and Fiume and Ljubljana on the other.

These amendments are mutually exclusive.

What is the rapporteur's position?

**Mr Radoux, rapporteur.** — (NL) I am in favour of Mrs Gaiotti de Biase's amendment and against the amendment by Mrs Bonino.

(Parliament adopted Amendment No 3, which meant that Amendment No 6/rev. fell, and then paragraphs 11 to 14)

**President.** — After paragraph 14, Mrs Bonino and others have tabled two amendments seeking to insert new paragraphs:

— Amendment No 7:

14a. Points out in this connection that the implementation of Articles 41, 42 and 43 of the Cooperation Agreement is dependent on the solution of the problem raised by the location of the Italian-Yugoslav Industrial Free Zone provided for in the protocol annexed to the Osimo agreements;

— Amendment No 8:

14b. Hopes that the Commission will take action very soon with respect to the two countries concerned, so as to bring about renegotiations on the location of the Free Industrial Zone in the Karst, which is supported by the local population and which Yugoslavia has already said it is prepared to accept.

What is the rapporteur's position?

**Mr Radoux, rapporteur.** — (NL) I am against, Mr President.

Parliament rejected Amendment No 7 and then Amendment No 8 and adopted paragraph 15)

**President.** — I call Mr Coppieters for an explanation of vote.

**Mr Coppieters.** — (NL) Mr President, on behalf of the Members of the Partito Radicale also, I can state that we shall vote for the motion for a resolution, although we very much regret that the rapporteur, followed by the great majority of the House, adopted such an intransigent position on the amendments tabled by Mrs Bonino and others. These amendments, Mr President, had both European and regional significance and, far from conflicting with the Radoux report, supplemented it and in some points were, if I may say so, more sensible. But unfortunately this House still has no time for amendments.

It is unacceptable for agreements such as the Cooperation Agreement with Yugoslavia to be concluded by the Council, i. e. ratified, without prior consultation of the European Parliament. In this connection I would draw your attention to Article 238 of the Treaty of Rome.

It is doubtless a good thing that we should do something to aid the development of Yugoslavia and perhaps other countries as well. But it is at least as good and as right that we should do something to aid the development of regions within our own Community. Well, one amendment called for special attention to be paid to the transport infrastructure between Munich and Trieste, and your rejection of it, ladies and gentlemen, was inconsistent with the vote taken a few months ago, when you adopted by an overwhelming majority a resolution by Mr Cecovini calling for a study of this infrastructure.

Lastly, in another very sensible amendment the Commission was asked to make representations to Italy with a view to reopening negotiations between

### Coppieters

the two countries concerned on the location of the Italian-Yugoslav industrial free zone. This is a tricky matter since, as you are aware, the population in the Trieste region is not at all happy about it and a referendum on the subject is to be held in October.

I therefore regret very much that you saw fit to reject some of these amendments without thorough consideration and, if I may say so, rather foolhardily.

**President.** — I put to the vote the motion for a resolution as a whole.

The resolution is adopted.

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**President.** — We shall now consider the *Antoniozzi report (Doc. 1-64/80): Discharge to the Commission in respect of the ECSC's financial and budgetary activities.*

I put the decision to the vote.

The decision is adopted.

I put the motion for a resolution to the vote

The resolution is adopted.

#### 14. *Discharge to the Commission on the implementation of the budget of the Communities for 1978 — Seventh and eighth financial reports on the EAGGF (Guarantee Section)*

**President.** — The next item is the joint debate on two reports by Mr Battersby: — Report (Doc. 1-150/80), drawn up by Mr Battersby on behalf of the Committee on Budgets, on

- i. the accounts of the European Parliament and the discharge in respect of the 1978 financial year
- ii. the discharge to be granted to the Commission on the implementation of the budget of the European Communities for the 1978 financial year and the report of the Court of Auditors (Doc. 1-567/79)
- iii. the discharge to be granted to the Commission of the European Communities in respect of the utilization of the appropriations of the fourth European Development Fund in the 1978 financial year (Doc. 1-138/80)
- iv. the comments accompanying the decisions granting a discharge on the implementation of the budget of the European Communities for the 1978 financial year (Article 85 of the Financial Regulation of 21 December 1977)
- v. the discharge to be granted to the Commission of the European Communities in respect of the activities of the first, second and third European Development Funds for the 1978 financial year

— Report (Doc. 1-79/80), drawn up by Mr Battersby on behalf of the Committee on Budgets, on the

seventh and eighth financial reports on the EAGGF (Guarantee Section) for 1977 and 1978.

I call Mr Battersby.

**Mr Battersby, rapporteur.** — Mr President, the 1978 discharge report before Parliament reflects the work undertaken by your rapporteur and by 13 other Members of this House to examine the financial aspects of specific policy sectors of the Community. Twelve of the 13 are members of the Committee on Budgetary Control and one, Mrs Focke, is a member of the Committee on Development and Cooperation. As the general rapporteur, I would like to express my most sincere appreciation of the work carried out by my colleagues, who were of invaluable help to me in assembling the points for inclusion in the motion for a resolution. I would also like to express my thanks to the members of the permanent staff, the interpreters and the translators and the print shop, who have all worked so hard and conscientiously in assisting us in our work and have enabled us to keep to our deadline. Finally I have to thank our chairman, Mr Aigner, for his most understanding and professional chairing of our many intensive meetings and then, *in absentia*, Michael Shaw, who was rapporteur for the 1978 budget in the previous Parliament and who has taken a keen personal interest in the evolution of this report.

As many of my colleagues are aware, the Court of Auditors was set up to help Parliament in the budgeting and auditing work largely at the prompting of Parliament itself and a tribute must be paid to the growing effectiveness of this new body. Its report on the 1978 budget has proved a most useful instrument in the preparation of this report and its constructive participation in our many debates has been greatly appreciated. Within Parliament the examination of the implementation of the 1978 budget and the general exercise of political control over expenditure is entrusted to the Committee on Budgetary Control. I would suggest that the control function is of major significance in this Parliament because of the so far underdeveloped nature of our legislative function. This responsibility for control, given under the provisions of the Treaty of 22 July 1975, is, I submit, a solid legal base on which to develop our legislative functions. This report is of special political significance, and all future discharge reports will be, because refusal by this House to grant discharge to the Commission would be tantamount to a vote of censure on the Commission with all the grave implications and consequences this implies.

My colleagues and I have tried to establish that expenditure as managed both quantitatively and qualitatively as intended by this House when it voted the annual budgetary appropriations. We have tried to identify irregularities, loopholes for fraud and a degree of fraud detection and to encourage a stronger atti-

**Battersby**

tude in this field. We have tried to spotlight extravagant or wasteful use of Community funds. We have tried to evaluate the quality and the effectiveness of the institution's internal financial management. We have underlined the fact that undisciplined transfer within chapters and between chapters must cease, estimation and costing must improve and any lax approach in the management of public funds must be corrected. In a nutshell, we are acting as the watchdog over the management of the Community's money to ensure that the taxpayer receives good value for his money; and that our finances are managed in a disciplined, professional manner.

One aspect of the Committee on Budgetary Control's work is the practical aspect of political supervision. The committee has investigated past actions, and has called on members of the Commission, and their staff, to explain various developments and to answer criticisms. It is a tribute to the political maturity of all concerned that the Commission has appreciated the nature of parliamentary control and has cooperated fully and frankly with us, even though, at times, certain awkward problems have arisen. This open and fruitful inter-institutional cooperation augur well for the future and I would like to express my appreciation to all concerned for their constructive assistance in our work.

However, I must express serious concern over one aspect of Parliament-Commission cooperation, a concern which is shared by many of my colleagues. In 1978 Parliament voted 52 amendments to the budget to a value of 587 million units of account and the relevant payment appropriations were matched by entries on the revenue side. If the money voted is not spent until a later year, first of all Parliament's wishes are not respected, secondly, the impact of the budget is weakened and thirdly, budget arithmetic is distorted. Tardy implementation or non-implementation of Parliament's amendments by the Commission seriously undermines Parliament's budgetary powers and imposes a charge on the taxpayer to no purpose whatsoever. In 1978 approximately 60 % of our amendments, amounting to almost 80 % of the total value, were not satisfactorily implemented. I think this is a very serious matter, and we must pay close attention to it when we go through the 1979 discharge.

The key part of this text is contained in the comments set out on pages 10 to 15. There are formal comments envisaged in the Financial Regulation drawn up in accordance with Article 209 of the Treaty. These 69 paragraphs touch on many sensitive problems. I would like the Commission to accept the criticisms made as constructive criticisms aimed at improving the overall management of Community finances. My own personal views, as accepted by the committee, are set out in the explanatory statement on pages 20 to 45. I would draw the attention of my colleagues to paragraphs 69-71 of this explanatory statement which sets out my conclusions. In view of the written text I will not detain the House by reading them out now, but I

must say that in my view there is much room for improvement in the management of Community finances.

I am proposing one innovation in the handling of discharge reports. I am proposing that I, as general rapporteur, present a further supplementary report in November stating to what degree the recommendations in this report have been implemented. I must give the Commission due notice that on the degree of implementation will depend the attitude of the Committee on Budgetary Control to the discharge of the 1979 budget. Discharge reports are well-researched, constructive documents. They must be given the attention and respect demanded by all documents dealing with public, that is taxpayers', money. Therefore, while recommending that the discharge should be granted, I also strongly recommend that the Commission takes effective and prompt action to improve financial management and takes full account of the comments of the Committee on Budgetary Control in this report.

I will now turn briefly to Document 79/80, that is the report on the EAGGF Guarantee Section for 1977/78. The Committee on Budgetary Control is also in this particular case involved in a catching-up operation. We have endeavoured to cover the main features of the Commission's report on the financial years 1977 and 1978, and we did this in the light of two opinions from the Committee on Agriculture. These extremely informative and valuable opinions are included in the document before you and will be commented on later by Mr Bocklet of the Committee on Agriculture. I have endeavoured in my part of the report to underline such budgetary control problems as the high expenditure on surpluses, the destabilizing effect of unharmonized national aids on the budget and the unsatisfactory situation in the field of fraud and irregularities, where Europe is becoming either much more honest or much less vigilant, as the table on page 12 will show.

This resolution, which deals primarily with irregularities, financial management, control and accountancy matters, is self-explanatory. I know that Mr Dankert, who is primarily responsible for agricultural questions within the Committee on Budgetary Control, would wish to speak on Guarantee Section aspects. Mr Filippi, the member of the committee responsible for EAGGF Guidance Section matters, has prepared a separate report. As my colleagues, who prepared the working documents annexed to the discharge report, will wish to speak on their specialized sectors, I consider that I should now terminate my remarks and recommend both these reports, namely the report on discharge of the 1978 budget and the report on the EAGGF accounts, to this House for its endorsement.

IN THE CHAIR: MR JAQUET

*Vice-President*

**President.** — I call Mr Bocklet to speak on behalf of the Committee on Agriculture.

**Mr Bocklet, deputy draftman of an opinion.** — (D) Mr President, ladies and gentlemen, allow me on behalf of the Committee on Agriculture to make a few comments of a political nature on the 8th financial report on the European Agricultural Guidance and Guarantee Fund covering both the guidance and guarantee sections, for both of which I have the honour to be rapporteur. Let me begin, though by pointing out to the Committee on Budgets that anyone who compared the total resources and the total expenditure of the EAGGF Guarantee Section for 1978 and discovered that they were almost identical might get the idea that there should be no problem in forecasting EAGGF Guarantee Section requirements and that there should therefore be no need for supplementary budgets. That at least was the view taken until very recently by the Committee on Budgets in this very argument. Experience shows that such forecasting is impossible for a normal budget, which means that applies even more so to the EAGGF. If you take a look at the serious discrepancy between forecast and actual expenditure on a number of items in the 1978 EAGGF budget, you will realize that the fact the two final totals almost coincide is no more than a coincidence. This just goes to show that the EAGGF Guarantee Section is undoubtedly the least susceptible part of the Community budget to the conventional means of budget planning because so many of the factors involved are beyond administrative control. That being so, a supplementary budget is an essential element in the budgetary control of unforeseen developments in the agricultural and ancillary sectors and is by no means the result of inadequate planning. It is worth pointing out that this is an important aspect of the 8th financial report on the EAGGF in this House, in view of the attitude displayed — on occasion, at least — by the Committee on Budgets.

Moving on to another point, 1978 saw the introduction at one fell swoop — of a co-responsibility levy amounting to 0.5 % of the guide price for milk, the aim being to enlarge the market for milk products and to promote sales. This included the sale of butter at reduced prices for the manufacture of ice cream, cheap milk for schoolchildren and various measures designed to develop markets. The important thing from the point of view of agricultural policy is that only 34 % of the money which was taken away from farmers and which was from their point of view a loss of income was actually utilized in 1978; in other words, of the 155.8 million units of account received from farmers, only 53.3 million was actually utilized. This just goes to show that the Council's decisions are put into practice far too slowly by the administrative authorities and that the marketing organizations have clearly not reacted quickly enough to the new situation.

Against the background of the Luxembourg decisions on quadrupling the co-responsibility levy, we are now bound to ask whether the Commission and marketing organizations have learnt their lesson and are at least now in a position to make sensible use of the addi-

tional income amounting to hundreds of millions of units of account or whether we shall once again have the kind of delay we experienced in 1978. In our opinion, the European Community's policy on export and storage is deserving of detailed appraisal. I should like to emphasize that we have nothing in principle against a policy of exporting agricultural produce, but when it costs almost twice as much as storage, I think it is time we had a close look at the modalities of such an export policy. For instance, how can we justify the fact that it costs eight times as much to export butter to the Soviet Union as it does to store the same quantity of butter for six months? The reason for this is that the Community's current export policy is directed first and foremost towards reducing stocks regardless of cost, the idea being to get rid of the stuff and good riddance! It would surely be more sensible, though — if we really have to export agricultural produce — to do so by way of a clearly formulated and planned export policy — and let me stress the word 'policy'. We therefore call on the Council and the Commission to formulate a suitable export policy in conjunction with the European Parliament.

We are always being told that these surplus foodstuffs are necessary so that guaranteed supplies will be available to the population in a crisis. If so, the Commission should submit a plan to us showing precisely what level of food supplies are needed to tide us over in a crisis; so far, the Community has no such plan, neither for food nor for animal feedingstuffs, although the existence of such a plan would enable us to conduct a more sensible debate on the subject of agricultural surpluses and the need for them. If these supplies were in fact to be regarded as a strategic reserve — along the lines of the policy adopted by Canada and the United States — they would have to be financed from non-EAGGF funds, on the grounds that they have nothing to do with the management of agricultural surpluses.

It is gratifying that there is now obviously good cooperation between the Commission and the national administrative authorities in dealing with irregularities. I shall therefore assume that the fact that the number of cases of fraud uncovered has gone down from 152 in 1977, involving 9.4 million units of account, to 117 cases in 1978, involving a total of some 3 million units of account, can be put down to greater efficiency rather than to a reduced level of checking. One interesting fact is that half of all cases of fraud — that is, 58 — concern monetary compensatory amounts, another 20 concern dairy products and 19 more the beef sector. As regards the cases of fraud concerning monetary compensatory amounts these can be put down to the complicated system, those concerning dairy products to shortcomings in the checking system and as regards beef, the main reason is the lack of a Community table for animal carcasses.

Moving on to the Guidance Section, it must be said that the financing instruments for this section have not helped to eliminate disparities within the Community.



**Bocklet**

The fact is that Community aid goes mainly to those Member States which are economically best off, especially as regards the guidelines 72/159/EEC. In many cases, it is also obvious that national administrative structures and their working methods sometimes prevent the rapid utilization of Community resources, mostly in those regions which are worse off. Some Member States — and this is worth noting too — have dragged their feet on implementing Community structural measures to the detriment of their own farmers or have simply failed to pass the necessary legal provisions. But there is not much point in implementing the structural measures of the EAGGF Guidance Section in isolation. It is more important to coordinate the structural measures provided for in the three funds — EAGGF Guidance, the Regional Fund and the Social Fund — to make a more effective contribution towards eliminating the disparities between the various regions. It is only in connection with the other two funds and by coordinating the three of them that the agricultural structural measures will bear fruit in a few years' time.

Finally, I should like to point out that a large number of projects have been financed in the milk sector although they are diametrically opposed to the aim of eliminating milk surpluses because their effect has been to increase productive capacity. Some of the measures designed to get a grip on surpluses are, moreover, so half-heartedly financed that they cannot possibly achieve any real structural effect. Other measures tend to cancel each other out. The only thing we can do to remedy this situation is to impose an immediate moratorium on all aid which is liable to increase milk production in the Community, and coordinate it so that one measure will not cancel out the effect achieved by another. We should like to see the Commission's future financial reports contain details of the cost and the economic benefit of measures taken under the terms of the EAGGF, so that the effectiveness of these measures can be more accurately assessed.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, we have just heard from Mr Battersby and from the other speaker that discharge ought to be given to the Commission for the implementation of the 1978 budget. This must mean that the judgment which is passed on the way in which the Commission has managed the Community funds entrusted to it is a positive one, and I would like to record the Commission's satisfaction at that judgment.

As in previous years, however, the motion for discharge has been accompanied by comments, some of them critical, on specific areas where Parliament takes the view that improvements could be made. The Commission, I should say at the outset, agrees with certain of these comments, though not with others. I shall return to the ones with which we do not agree in rather more detail during the course of my remarks.

Now I know that for each sector of activity Mr Battersby, the rapporteur, has been assisted by two members of the control committee so that the preparation of the discharge decision involved no fewer than 21 members of the committee. I am also aware of the fact that other committees such as the Committee on Development and Cooperation contributed to this exercise. Now therefore is the time for me to pay tribute to all the Members who have been engaged in this exercise for the very substantial amount of work they have put in.

I must also say that the Commission attaches very considerable importance to the occasion. It is, as Mr Battersby said, a major occasion when Parliament makes use of a power that it, and it alone, has. That is why not only myself as the relevant Commissioner for the budget, but also two of my colleagues, Vice-President Gundelach and Mr Cheysson, will be speaking in the debate. Three Commissioners, in other words.

So I hope the House will forgive me when I say that all those of us who wish to see the Parliament play a central role in the Community's budgetary affairs, all those of us who want to see the position of Parliament taken seriously in budgetary matters, must feel a certain sense of disappointment that substantially less than 10 % of the Members of the Parliament should be present for the beginning of what is, after all, one of the major parliamentary occasions of the year.

*(Applause)*

It is obviously slightly unfair to make this remark to the people who are displaying their interest and who are here, for I recognize that those who are here are of course the people who are most seriously concerned about these matters.

Now if some of the remarks which have been made in the report are of a technical character, others are of a general and, of course, of a political nature. I do not propose to cover in my statement all the points which are raised in the report, nor even all those which are specifically referred to in the draft motion for a resolution.

To achieve this a special procedure has been laid down by the Financial Regulation. The Commission has to report on the measures taken in the light of the comments appearing in the decisions giving the discharge. This report is forwarded to the Budget Authority and to the Court of Auditors who are represented in the gallery today. The report drawn up following the 1977 discharge will be sent as an annex to the 1979 annual accounts. Similarly a report highlighting the action taken by the Commission following the discharge for 1978 will also be sent in due course.

Suffice it to say for the purpose of this debate that some of the recommendations have already — and I stress the word already — been complied with, or will be complied with, in the very near future. Such is the case in particular for administrative expenditure and

### Tugendhat

staff management. A report on the action to be taken following the Spierenberg Report has already been drawn up. Measures are also being taken to reinforce the internal control over the Joint Research Centre. The Commission accepts that progress still has to be made in order to speed up the closure of EAGGF accounts.

As regards certain other recommendations or criticisms the Commission feels that the results of more detailed and thorough inquiries have to be awaited. I have in mind here the Commission's accounting system which was set up, as I am sure the House knows, in a way which met the requirements of the former Audit Board.

The Court of Auditors now has different conceptions and criteria in this area and is carrying out an inquiry into the Commission's services. The Commission proposes to wait until the conclusions of this specific report are known, until in other words we have the conclusions which have been reached by the Court of Auditors. Still in the field of budgetary technique, there are also criticisms which could perhaps have been presented in a more detailed form. Take, for instance, the example of transfers and carryovers. The rapporteur recognizes that transfers are made in conformity with the Financial Regulation, but he nevertheless describes them, and I quote: 'as uncontrolled movements of funds which gravely distort the budget as adopted and therefore cannot be tolerated'.

As transfers between chapters must be authorized by the Budget Authority they can in our view hardly be described as uncontrolled. If they have to be authorized by the budget authority then by definition I would have thought they are indeed controlled. Reading between the lines it seems to me that what the rapporteur really regrets is that Parliament should not be formally consulted on transfers between chapters within the EAGGF. If the need for such transfers is not in question, the procedural point raised by the rapporteur could be looked at in a different context, i. e. in the framework of the review of the Financial Regulation which we will have to tackle before too long.

As for carryovers, I certainly agree that they ought to be strictly limited. But the rapporteur failed to make the distinction between automatic and non-automatic carryovers. Carryovers occur automatically when amounts are being committed, but not paid, before the end of the financial year. If the Commission is to honour its financial obligations carryovers are in such cases inevitable. Non-automatic carryovers do not have the same obligatory character. That is why they have to be authorized by the Council after consultations with Parliament.

These, then, are my first reactions to a few criticisms of a technical nature. Mr Gundelach and Mr Cheysson will wish to comment further on certain points in their own sectors. But as I said earlier, and as is requested in the draft resolution, a more detailed report will have to

be drawn up covering the whole range of remarks.

What I should like to dwell on are the general remarks, because these raise a number of important issues, and also because they are clearly of an inter-institutional nature, by which I mean that they should be the subject of an agreement between the institutions, not only the Commission and Parliament but also the Council. They are, therefore, of both particular and general interest.

Now under that heading, there are two main criticisms which are ultimately summarized by the rapporteur in a value judgment on the political will of the Commission. The criticisms apply to the interpretation of Article 205 and the related issue of the role of the financing committees. The insufficient importance attached by the Commission, as Parliament sees it, to the implementation of payment appropriations, with particular reference to the implementation of those budget lines which were affected by parliamentary amendments, are the other principal points. The value judgment which is derived from the examination of these questions by your rapporteur is that the Commission has displayed a certain lack of political courage.

Before I comment on that final judgment let us look calmly at the three problems at issue underlying it. First of all, the interpretation of Article 205. I have often explained the Commission's position in detail on that point in this forum. I did so in the days of the old Parliament and it is perhaps right that I should do so again in the new Parliament. Article 205 lays down the principle that the Commission shall implement the budget in accordance with the provisions of the financial regulations on its own responsibility and within the limits of the appropriations. That is what Article 205 lays down.

That for the implementation of certain policies involving Community expenditure the Commission should seek the advice of experts is not, I think, being questioned. What is at the centre of the dispute is the extent of the role of the financing committees which have been set up by Council regulations. The Commission agrees that purely consultative committees would be the ideal solution, and will propose this sort of committee in all its future proposals.

It has also been decided, as the President of the Commission told the House in the April part-session, that it would not accept any solution which would give the Council more powers than under the so-called regional fund committee formula — a procedure, I would remind the House, whereby when the committee delivers a negative opinion, the matter is indeed referred to the Council.

But the latter has to take a decision within two months, failing which the Commission is free to take its own decisions.

It would be foolish of me to pretend to this House that it will be easy to persuade the Council to agree, since it

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has been clear for several years now that the Council wants more say in the decision-making process than the regional fund formula offers it. Other formulae have been and are still being devised in the Council which give it a greater say in the decision-making procedure.

If Parliament does not like this state of affairs, and clearly Parliament does not, then together with the Commission Parliament must make its views known to the Council. I welcome the fact that Parliament has requested the opening of conciliation, but let me if I may, remind the House that much has happened since this question first arose in which this House, if it did not agree, nonetheless acquiesced. This will not make it easy to revert to the status quo ante.

Let me give two examples. First the energy sector. The energy sector is probably the sector where the least acceptable decision-making processes have been enshrined in the Council regulations. The Council set the first precedent as early as 1973 with its regulation on technological development projects in the hydro-carbon sector by which it reserved the right to approve each individual project. Then in June 1978 the Council again adopted two regulations, one on energy saving, the other on the use of alternative sources of energy, which again gave the Council an undue role in the decision-making process. In 1973 the conciliation procedure did not exist. In 1978 Parliament failed — *Parliament failed* — to request the opening of a conciliation procedure so that the regulations were adopted, despite the opposition of the Commission and without any inter-institutional debate involving Parliament.

The second example I should like to take is the proposal for aid to non-associated developing countries. I welcome the fact that a conciliation procedure was opened in 1978 at Parliament's request, but I do find it surprising that after a first conciliation meeting which took place in September 1978, Parliament then waited 18 months before pressing the Council to proceed with conciliation. Meanwhile, the Commission has had to resist the Council's attempts to impose what we regard as unsatisfactory solutions.

Let me now turn, Mr Vice-President, to the second issue. The Commission is severely criticized for failing to implement adequately payment appropriations. The fact that the Commission has an excellent record as regards commitment appropriations is barely acknowledged and appears to be regarded as being of comparatively minor importance. I am bound to say on behalf of the Commission that I disagree with the rapporteur's priorities. Of course payment appropriations are important. But so, too, are commitments. Indeed, it is through appropriations being committed that the legal obligations relating to the implementation of any given policy are entered into, and it is thus commitments which are the indispensable preliminary to implementation. The handing out of payments follows as a more or less automatic consequence of the speed at which the policy is implemented, and in this the Commission

is frequently, indeed usually, dependent on the rate at which Member States make applications.

Thus in the Social Fund area, as the motion for resolution acknowledges, it is the Member States which are being particularly slow in making applications for funds, and I could name others. It is for this reason that the Commission, while fully acknowledging the importance of actual payments, does not feel that it is right to make them the sole or even the main touchstone of the Commission's record in implementing the budget.

Now if the House will allow me, I wish to dwell a little further on this business of payments, which the rapporteur has made such a central feature of his report. He criticizes the Commission in particular for under-utilization of those budget lines which were increased by Parliament, noting, and I quote, 'of 52 Parliamentary amendments, which provided for payments being made in the course of the 1978 financial year, less than one-third was implemented to a reasonably satisfactory extent'. 34 of these amendments are described as not having been implemented at all.

Three remarks, Mr Vice-President, seem to me to be called for here. First — and I think this is a principle which applies in all our Member States — the budget is an act of authorization which does not automatically involve an obligation to spend every last penny, or indeed to spend at all. Because of the quite legitimate interest of this Parliament — which, I might add, the Commission shares — in seeing certain policy objectives being achieved, one tends to lose sight of that principle. A high percentage utilization is not, I suggest, a sufficient criterion by itself of good management of funds, particularly in a period, as now, of budgetary restraint. Procedures are sometimes complex and slow, but this may well be because precautions are being taken to ensure the proper spending of taxpayers' money and, of course, if taxpayers' money is spent improperly, then it is the Committee on Budgetary Control which quite rightly comes down very hard on whatever the fault might be.

Secondly, I am concerned that, as a result of its present preoccupation with payments, this House may lose sight of another important principle concerning the Community budget which the Commission has been at pains over the years to try to get established. This is the notion that the budget is a policy document which not only reflects expenditure in relation to existing programmes, but is also, at the moment when it is adopted by Parliament, in itself the expression of certain intentions as regards policy for the coming financial year. But policy intentions, good as they may be, may not always be fulfilled, often for reasons beyond the control of the Commission. Some risks in life are worth taking and turn out well, other risks, of course, when taken, turn out badly. If, however, Parliament now insists that the most important consideration is to ensure that no payment appropriations are left unspent at the end of the year, it is in effect saying that the Commission should take no risks at all in this

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area. Now, I ask honourable Members: is it sensible to drive the Commission down a road in which the budget becomes merely the accounting expression of policies which all three institutions are agreed upon at the time of the adoption of the budget? Surely that would have the effect of reducing the scope which the Commission has available to it to exercise its political will and would run counter to the rapporteur's aim of encouraging the Commission to exhibit political courage. I cannot believe that that is the result which the House really wants.

I feel, Mr President, that I know what perhaps the rapporteur's answer might be. He might say that to implement the budget the Commission does not need a legal base separate from the budget itself and thus that the agreement of the Council is not necessary for the implementation of the budget, thus the line of argument I have just advanced is not relevant. This is not the place for a long debate on this issue, fundamentally important though it is. Suffice it to say here that the Commission, as this House knows, does not accept the doctrine that the budget is in all cases a full and sufficient legal base for expenditure. That it is in some cases, we agree, but as regards the vast majority of budget lines, a separate legal base, and thus the agreement of the Council prior to expenditure, is necessary. The Commission is very ready to discuss with this House the idea mentioned by the rapporteur of magic formulae in the budget commentary, but it would be wrong for me to give the impression to the House that the Commission thinks that such formulae will do away with the need for a separate legal base. For this reason, therefore, I think the House should reflect carefully before attaching exclusive importance to payment appropriations as an index of budget implementation. The policy character of the budget may be the victim; an outcome which I do not believe would be in the interests of this House.

I said, Mr President, that I had three points concerning payment appropriations and in the last, I shall be very brief. In criticising us for underutilization of appropriations on those lines where Parliament has made amendments, the rapporteur does so in a manner which suggests that Parliament's function in amending is merely to top up the appropriation and that it takes responsibility for, and therefore an interest in, only that part of the appropriation that constitutes the increase over the decision of the Council. Again, Mr President, I ask whether that can be right. Surely Parliament takes responsibility for the total size of the appropriation — not just for the cream on top of the milk, but for the whole of the bottle, the milk as well as the cream. Certainly in spending the Commission dips into the whole churn; it does not merely skim from the bottom or skim from the top. It is therefore, in the Commission's view, misleading to talk of amendments not having been implemented at all. The appropriation may not have been fully spent but that is a different matter. A zero rate of implementation in the rapporteur's table is very far from meaning that no money at all has actually been spent, and I would ask

Parliament to consider very carefully this particular doctrine. I believe that if Parliament is an equal partner in the budgetary process, which certainly the Commission believes Parliament is, then Parliament is equally responsible with the Council for the whole of the appropriation. If one says that nine-tenths or eight-tenths, or whatever it is, of the appropriation is Council's responsibility and only the remainder is Parliament's responsibility, then it does seem to me that that is demeaning the role of Parliament in the budgetary process.

Finally, Mr President, I turn to the rapporteur's charge that the Commission has failed, out of lack of political courage, to implement the budget in certain instances where the amendment in question was, to use the rapporteur's words, and I quote: 'of the utmost significance to the well-being of Europe'. This is a serious charge and it is a charge which I reject; it is neither fair nor true. Where Parliament has entered figures in the budget for which there was no legal base, the Commission has made the necessary proposal to the Council for a legal base. Only if the Commission was derelict in this duty might the charge of lack of political courage be relevant. In one instance only, namely that of industrial restructuring, would it be right to say the Commission was slow in bringing forward a proposal for a regulation. Even then, however, it was not lack of political courage which stood in the way, but the complexity and difficulty of initiating policy in an entirely new area. The Commission's difficulties in this instance, far from being symptomatic of lack of political courage, were the very reverse. They were precisely the result of showing political courage which ran ahead of that part of the other part of the budgetary authority, the Council.

So, Mr President, I have attempted to pick out what seemed to me the points in the rapporteur's report that I ought to answer immediately, the points which I ought to provide an answer to in what I hoped would be a full plenary session. I recognize that there are other points in the report which are also important and, as I said at the outset, the replies will, of course, be transmitted to Parliament in the normal way that I described at the beginning of my speech. There are other areas of the report to which I have devoted less than justice because, as I said earlier, my colleagues Mr Gundelach and Mr Cheysson will be following me. But I will certainly, Mr President, listen to the speeches which are made and we stand ready to cooperate with the House, and indeed with other institutions, to do whatever can be done to improve the budgetary procedures of the Community which are, as has been apparent in earlier debates this week, of central importance to the good working and progress of the whole Community, which all of us value.

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

**Mr Colla.** — (NL) Mr President, ladies and gentlemen, I should like to start by expressing my regret, not to say annoyance, at the extremely ill-chosen time at which we are having to hold this debate and at the very low level of interest shown in this Chamber. I should like here to stress what Mr Tugendhat said and at the same time thank the Members of the Commission for being here in such numbers. It should also, I feel, be pointed out that Mr Brunner specifically offered his apologies for not being able to attend.

In future — and here I turn to the chairman of the Committee on Budgetary Control — we shall above all have to try and encourage our colleagues to attend debates of this sort, which in my view are on a par with the budget debate. I am sure that the subsequent speakers this evening will endorse this view.

The atmosphere in this Chamber at the moment strengthens my impression that this Parliament is like a shadow boxer who is making a very praiseworthy effort and expending a great deal of energy, but whose punches never make contact.

It is not only the atmosphere here this evening that gives me this impression but also the analysis of the 1978 budget year. I should like to say at the outset that in my opinion the implementation of the 1978 budget was, in political terms, unsatisfactory. The three main culprits here are out of Parliament's reach: the Member States, who are unlikely to lose any sleep over the comments made here this evening, the Council which, in its rather haughty fashion, will shake off the criticism made here like water off a duck's back, and the Commission, which sometimes carefully makes a strategic withdrawal to the corner of the shadow-boxing ring.

Having thus given my own opinion, I should like, as I said, to explain on behalf of the Socialist Group my group's views on the 1978 budget, firstly setting out a number of features I find significant in my analysis of the accounts, secondly pointing out various political consequences of the way in which this budget was implemented and thirdly trying to establish the responsibilities and causes.

As regards analysis, I think I must say first of all that the 1978 budget was not implemented in a very satisfactory way, as is clear simply from a glance at a few very general figures. As can be seen from the Battersby report, in four major policy sectors — the Social Fund, the Regional Fund, industrial energy policy and development cooperation — scarcely 40 % in all of the payment appropriations were spent. Now I know, Mr Commissioner, that it is not just a question of payment appropriations, and I appreciate that you cannot concentrate exclusively on spending every last unit of account. However, I must say that part of your argument sounds unconvincing when you maintain that it is not in the interests of economy to spend every last unit of account. That is of course true, but the Commission must do something to satisfy Parliament's desire to see

a greater proportion of the available funds actually spent. I think we must in any case endorse the opinion of the Court of Auditors that failure on the present scale to use amounts committed for payment constitutes a very serious problem which puts us in a difficult position from the budgetary point of view. I am thinking here of the system of differentiated entries in the budget and the distinction between payment and commitment appropriations. We shall all have to get our heads together on this problem some time.

There is another possible approach to the incomplete implementation of the 1978 budget. I am thinking here of the large carry-overs, the mass of appropriations unused in 1978 which were carried over to 1979. These amount to an appreciable sum: about 2 000 million European units of account, which represents some 17 % of the total budget as far as payment appropriations are concerned. The significance of this becomes even more clear if we take the various chapters separately. The fact that carry-overs have been made is no guarantee of expenditure in the following year. If we take the carry-overs from 1977 and look at what happened in 1978, we find that less than 62 % of the appropriations carried over were actually spent in 1978. So much for carry-overs. What is really more serious is the question of cancellations, as this involves appropriations which are not carried forward and are thus lost. In other words, a policy which comes to nothing. It is not that the amounts here are so enormous, but I still think this is a serious problem to which we must give some attention.

Parliament's task is then not made any easier or more pleasant, ladies and gentlemen, when account also has to be taken of a large number of transfer within chapters and from one chapter to another; these total some 2 800 million. This does nothing to improve the transparency of the budget and increases the risk of deviations from the original objectives. I think it is now time — particularly in view of the situation with regard to compulsory expenditure — for Parliament to make clear demands for a revision of the Financial Regulation so that Parliament has the last word on transfers, including those relating to compulsory expenditure.

Mention has already been made of Parliament's amendments. You are right, Mr Tugendhat, they are not the only criterion. Parliament is responsible for the budget in its entirety. Nonetheless, these additions are dear to Parliament's heart and it is thus distressing to find that for 34 of the 52 amendments not a single unit of account has in fact been spent. With a view to the next budget debate, we must draw Parliament's attention to the fact that pushing through amendments often comes down to a Pyrrhic victory.

There are, however, other shortcomings: the lack of internal control, inadequate evaluation, procedures that are far too complicated and difficult and, in some cases, systematic overestimating.

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This brings me to the second part of my speech, in which I want to draw attention, using a number of examples, not just to the accounting aspect but also the political context. The Committee on Budgetary Control and Parliament are not just accountants but have rather a political role, a political job to do. I am thinking here above all of Parliament's amendments; these must be the expression of Parliament's political will, but insufficient account is taken of this and Parliament's powers are thus undermined.

Secondly, contrary to all verbal assurances and despite increasing regional differences in the Community in 1978, we find that about a third of the Regional Fund has not been used. That is a political fact that this Parliament cannot pass over. A further example: the will to help the developing countries, so often expressed by all the Community institutions, remains a dead letter if, as we have seen, Parliament cannot manage to get its views accepted on the question of food aid to non-associated developing countries. Is it not galling to have a debate in this Parliament on poverty in the world when previously approved appropriations have gone to waste?

A fourth example is the fact that in an economic crisis, with enormous unemployment in the Community, not a single unit of account — I repeat not one unit of account — has been spent out of the funds voted for crisis-stricken sectors of industry.

It is equally unacceptable — and this is my fifth example — in the difficult social situation prevailing in Europe at the moment, for Social Fund appropriations not to be spent in full while on the other hand we are receiving requests for double the available amounts, with shortfalls above all for migrant workers, young people and the handicapped.

Sixthly, we are spending money, a great deal of money, but we hardly know what effect it is having. The evaluation of our policy leaves a great deal to be desired. That goes for the Regional Fund and also for scientific research. But what is more serious, Mr President, is when we find, for example, that the money for emergency aid following disasters is not getting where it should, that is to the victims concerned.

Seventhly, there is something wrong when we find that in the energy chapter the only item for which money is being spent is uranium prospecting while there is so much talk about alternative energy. What is the meaning of this? We say we are for alternative energy, but in practice no money has been spent on these alternative energy sources.

These are just seven examples, but they show the reality lurking behind the bare figures. And it is the facts behind the figures which interest us.

I now come to the third and last part of my speech. Where do the responsibilities lie, what are the causes of this situation? Clearly, responsibility is shared by

various institutions, which brings me to what I would call, perhaps rather disrespectfully, the Holy Trinity — except that this time, far from being holy, they are more like the guilty party. There are three major culprits for the inadequate implementation of the 1978 budget. Firstly, the Member States. There is no denying that the Member States bear some responsibility and that their efforts to make use of Community facilities are often unsatisfactory. The Regional Fund and the Social Fund are examples of this.

The second — I might almost say the main — culprit is the Council of Ministers. My first charge against the Council is that what I would call the underspending can be put down to the fact that the Council has either not adopted the necessary regulations or has done so far too late. We find striking examples of this in the field of energy and in development cooperation.

This demonstrates the Council's inability to reach political agreements, which means that Europe misses a number of chances. A second reason for complaint against the Council lies in the nature of the regulations adopted, since certain regulations are the cause of poor implementation of the budget. I have no hesitation in saying that the Council is riding roughshod over Article 205 of the Treaty in undermining the powers of the Commission and presenting itself as responsible for implementing the budget. Let me give two examples: uranium prospecting, for which the Commission decides on individual projects and proper implementation of the budget is ensured, and prospecting for hydrocarbons, where each individual project has to go to the Council and the implementation of the budget is poor. Either the Council implements the budget — but then the Council must answer to Parliament — or the Commission implements the budget, in which case the Council keep its hands off and it is the Commission that is responsible to Parliament. Then there is a third reason for pointing a finger at the Council, one which forms as it were the centre-piece of my contention. I should in fact, Mr President, ladies and gentlemen, like to make a proposal. I should like to propose that the Council of Ministers should appoint a consultative or supervisory committee, consisting of national experts, to assist Parliament in its discharge function and in its budgetary tasks. I propose that if Parliament is not in agreement with this consultative committee the Council should have the last word, acting as arbiter and consequently giving the discharge itself if necessary. You will say that this proposal is an utter absurdity — and I quite agree with you. However, if what I have just said is absurd, then I wonder whether it is not equally absurd for the Council to set up consultative and supervisory committees which impinge on the Commission's powers as implementer of the budget. The Council has here — and I should like to say this as explicitly as possible — embarked on an illegal course and has infringed Article 205 of the Treaty in that, if a consultative committee disagrees with the Commission, for example, the Council effectively takes over the power of decision

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itself, so that the Commission is constantly living with the sword of Damocles above its head.

The Council is making a terrible mistake here. One can only delegate powers which one in fact has. The Council can delegate regulatory powers to the Commission because the Council has the power of making regulations. But the Council cannot delegate to the Commission the power to implement the budget quite simply because it does not have this power. I think this is a very simple and conclusive legal argument.

Mr President, ladies and gentlemen, the Council may perhaps think it already has the situation sewn up, but I should like to draw their attention to two considerations. Firstly, that Parliament will make a point — and I hope that we shall in fact do so — within the framework of the Treaty of urging the Commission if necessary to take these matters to the Court of Justice. And secondly I should like in unequivocal terms to say this to the Council: there has been some improvement this year, but next year we shall no longer be content with a recommendation to Parliament which is so thin on content as has been the case this year.

I now come to the Commission — which, however sharp my outburst against the Council, cannot hide behind the Council's faults and which — if I may use the language of the Wild West — must be careful not to speak with forked tongue depending on whether it is appearing before Parliament or before the Council. This Commission shares responsibility for the unsatisfactory implementation of the budget for various reasons: overestimating, sometimes poor organization, but above all — and I say this most emphatically — because it has to a certain extent connived in the misapplication of Article 205. It may well be, Mr Tugendhat, that Parliament has in fact taken 18 months to do anything about this — which I regret — but in that case we should both be glad that Parliament has woken up to the problem now. I would point out to the Members of the Commission that there is no point in intoning a lament before Parliament on the situation with regard to Article 205 and the supervisory committees if the Commission itself incorporates things in some of its proposals to the Council which impinge upon its own powers. This has happened in the past with regard to various regulations and with regard to the type of consultative committee that the Commission itself has proposed to the Council. It is also out of the question for the Commission to go on saying it accepts the Regional Fund formula for supervisory committees. No, a thousand times no! Consultative and supervisory committees are very useful, but they must keep to a consultative role and can only be of the Social Fund type. I do not think Parliament can abandon this position. The discussion on Article 205 is of fundamental importance and places the Commission before a number of very serious choices. The discussion on Article 205 is not just a technicality; it goes much further and involves the very conception we have of this European Community we are building

together. The choice facing the Commission involves the question of which side of the fence it is going to be on: on the side of those who want to see Community policy pared down to the sum of what short-sighted national interests allow at any particular moment, or on the side of those who want to build up a genuine Community policy. The time will come when the Commission has to make a choice between the Council and Parliament; it will have to choose between either a democratic Europe and a strong Parliament or a parliament that merely serves as an alibi and is regarded as a piece of decoration.

I should like to say most emphatically that we do not wish to weaken the Commission but want, on the contrary, to make common cause with a strong Commission. But this means the Commission will have to give us a chance to do so. Our wish — and I am choosing my words carefully — is that next year we will not be obliged to say that the Commission has become the secretariat or, worse still, the servant of the Council. I hope I will not have to say that, but then the Commission must see to it that I do not need to utter this warning here in Parliament a second time.

There are three test cases for the Commission: firstly, the type of supervisory committee for the non-associated developing countries, secondly the question of the operational budget of the ECSC, in which Parliament is involved as plaintiff, and thirdly the fact that we cannot go on being satisfied with merely verbal replies to Parliament but must insist that action be taken on the criticisms expressed in the discharge decisions. I can assure you that for next year I and my Group advocate taking a concrete response from the Commission on things we criticise in the present discharge decision and the actual solution of the problems involved as a precondition for deciding whether or not to grant discharge for 1979.

Mr President, in a sense the Commission is unfortunate that it is to it and not to the Council that Parliament has to grant discharge, but in another sense the Commission is lucky this year in that Parliament will probably judge that there are already enough political conflicts in the air in Europe and in the Community without our adding another one. Lucky too in that the argument is sometimes heard that after all the 1978 accounts were finalized long ago and it was in any case a year when the directly elected European Parliament was not yet in existence. In my view, however, the Commission should be well aware of one thing and that is that in fact the dossier contains more than sufficient evidence as of now for discharge not to be granted and that it is thus a close thing. And another thing of which we must be well aware is that Parliament's decision concerns not only the general motion for a resolution but also, as Mr Battersby's text explicitly states, all the texts and resolutions contained in the subsidiary reports. We must also realize that Parliament cannot always keep on with the argument that 'Oh well, there is no point in refusing to grant discharge to the Commission this year because next

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year there will be a new Commission', and then say the following year 'We have got a new Commission, we cannot refuse to grant discharge because it is not responsible for previous financial years'. I think Parliament must get out of this circle.

Last of all, I should like to address a few words to Parliament itself. I very much hope firstly that more careful attention will be paid to the discharge procedure, secondly that close cooperation will develop between the Committee on Budgetary Control and the various specialized committees, which should keep a close watch on Community expenditure not only on the occasion of the discharge debate but throughout the whole year, and finally that this discharge will indeed be taken seriously, above all because this procedure involves fundamental questions of the role and the powers of the European Parliament. That is what is at stake here.

**President.** — I call Mr Aigner on behalf of the Group of the European People's Party (Christian Democratic Group), and as chairman of the Committee on Budgetary Control.

**Mr Aigner.** — (*D*) Mr President, ladies and gentlemen, first of all, on behalf of my party and also as Chairman of the Committee on Budgetary Control, I should like to thank my colleagues for the magnificent work they have done. In addition to the general rapporteur, Mr Battersby, we have twelve specialist rapporteurs, whom I should just like to mention briefly here: Mr Gabert, Mr Price, Mr Poncelet, Mr Kellett-Bowman, Mr Simonnet, Mr Irmer, Mr Filippi, Mr Dankert, Mr Gouthier, Mr Wettig, Mr Notenboom and Mr Colla. It is a pity, and this is certainly not the fault of our colleagues, that we have to hold this discharge debate today before an almost empty House. Unfortunately procedural matters — voting etc. — have delayed things and it is now evening, even though the Bureau had planned to hold this debate this morning.

Mr President, I believe that the hard work of the Committee on Budgetary Control over many months has paid off after all. I cannot outline now how many suggestions were made and how many developments were initiated through the dialogue with the Court of Auditors, with the internal control departments, with the Members of the Commission, with the other committees and also with the national control bodies. Our business today is to give a general opinion on the discharge for the 1978 budget.

I do not believe that this task would have been possible — and I say this with great gratitude — without the exemplary cooperation of the European Court of Auditors in a really fruitful dialogue. Mr President, I was very pleased at the official greeting extended here from the Chair to the Court of Auditors' representative. However, I should like to suggest that at the next

annual discharge debate the Court of Auditors' representative should be visible in the House, that he should sit here on the floor of the House. It is true that we cannot enter into a dialogue with him since he has no right of address here, but some visible expression should nonetheless be given to the fact that in the final analysis all the work of the European Court of Auditors remains a dead letter if its criticisms and proposals are not translated into political action; this is exactly what is achieved through the partnership with Parliament. Let me express my sincere thanks, therefore, to the Court of Auditors and also to the Commission for their excellent cooperation. Let me thank here in particular — I am sure I speak on behalf of all those colleagues who have followed our work here — those Commission officials in Financial Control who have facilitated our task considerably by an exchange of information and through their wealth of experience. I do not believe that the Commission as a whole was very pleased that there was now going to be greater parliamentary control, nor had anybody expected them to be enthusiastic. We must all — both Parliament and the Commission — learn to adapt to the new situation, but the Commission must realize that as a result of the first direct election the European Parliament has acquired a political prerogative, a political responsibility vis-à-vis the European Community, which means that it must adopt certain attitudes in its dealings with the Commission.

Ladies and gentlemen, allow me to demonstrate briefly, with the aid of one example, just how difficult it is for Parliament to be fully informed and to exercise parliamentary control. It is a pity Mr Bocklet is no longer here, as he raised this point briefly: in 1973, when the Community exported large quantities of butter to the Soviet Union for the first time — on terms which at the time were considered scandalous — the Commission promised, under pressure from the majority in Parliament and from public opinion, that it would no longer export agricultural products to the Soviet Union on special terms. Then all was quiet. In 1977 the Soviet Union again wanted to buy butter on special terms. What did the Commission do? It was, you remember, bound by the majority decision of Parliament. Well, it then raised export refunds in general, so that the Soviet Union again received its butter on particularly favourable terms. When public opinion again reacted very critically to this, the Commission again assured Parliament that henceforth there would be only completely normal transactions. Then suddenly in 1978 we heard that for the first time, instead of intervention butter, fresh butter was now being sold on the same terms, leaving the intervention butter for the European consumer. In other words, the European consumer paid the same price but received inferior quality. And what is the situation today? Today export refunds have been abolished and instead butter is auctioned and sold below cost price — most recently, Mr Gundelach, if I remember rightly, intervention butter was bought at DM 8 and sold at DM 3.90. In this case the political will of Parliament



**Aigner**

has simply not had any effect, has not been reflected in policy. This is why I think that while it will be difficult to ensure that one is always fully informed, it must be made clear to the Commission that it has an obligation — not just on paper but in practice, having regard to the political importance — to make full information accessible to Parliamentary control.

Mr Tugendhat, my group's sharpest criticism, as the previous speaker said, is still levelled — and particularly because of your speech here today — at the multitude of committees which are not only active in a consultative role, but practically eliminate the Commission's decision-making process.

Mr Gundelach, very soon, when the documents from the European Court of Auditors are available in full, we will be discussing with you the financial committees in the agricultural sector; then it will become apparent just how many millions it has cost the European taxpayer that the Commission's decision-making structure is so weak, because the Commission has allowed the Council and the national bureaucracies to interfere in the decision-making process so that the Commission is simply no longer in a position to react quickly enough to market developments.

Mr Tugendhat, I was particularly astonished today to hear you suddenly reproach Parliament and cite energy policy as an example. I beg your pardon, but are you really so badly informed? May I just recapitulate what happened. You called on Parliament to grant funds in the energy sector for conservation programmes, new energy sources etc., in other words for new policies. We exercised our budgetary prerogative and allocated the funds, and then you said that we needed a regulation, which you then proposed. Parliament delivered an opinion on your proposal, which gave national authorities the task of making assessments but denied them decision-making powers. We passed the proposal on in that form to the Council, and what happened? The Council suddenly said: we want to have the final say in decisions, whereupon it was the Commission and not Parliament that gave in. We supported your first proposal. Are you not aware that, when you gave in and we learned that you had said yes, formal reservations were expressed by the Commission at the Council discussions, though in the final analysis you agreed nonetheless? And do you not know that we then, in a note to the Council, demanded the conciliation procedure and that the Council refused because once again you were virtually in league with the Council? I believe that this example shows that your reading of the situation is not correct; we tried to support the Commission and the Commission was not able to stand its ground.

If the Commission were to regain its dominant position as the executive and above all as the initiating body of the Community, then the funds for new policies in the energy sector, for new industrial, regional, structural and employment policies, which the Parlia-

ment has made available year after year, would also be used.

Mr Tugendhat, how can you say that it would be absurd for Parliament to demand that funds be used right down to the last penny? That is not Parliament's view, in particular not the view of the Committee on Budgetary Control. We must see to it that the funds are really used efficiently so that the greatest political effects are achieved with the least possible. Our criticism is directed solely at your claim that the budget itself is not a legal basis for implementation of the budget without Council approval. We spoke of the 'magic formula'. We do not want to diminish the Council's role but, if the Council is not willing to act and we have used our prerogative within the budget procedure, then the budget is indeed a legal act to which the Commission can refer.

I believe that the Commission should learn one thing: it should concentrate less on protecting its own position and more on seeing that progress is made within the Community.

Mr Tugendhat, I hope that in the discussions on the 1980 budget this Parliament will muster the political courage to force the Commission, should this be necessary, to implement a budget which has been presented by Parliament and adopted by Parliament, even in the face of opposition from the Council or if the Council fails to act. The Parliament will simply impose its political will on the Commission, if need be by taking extreme measures.

Ladies and gentlemen, I have been astonished reading the international press, the European press, at the extent to which abuse is showered on our agricultural policy, how this is made the scapegoat for everything and at how the Commission no longer even defends its own policy, how it lets everything slide. Of course, had the Council of Agriculture Ministers done its duty, then it would have initiated changes in the production and marketing systems at a time when this would still have been relatively easy. It is undoubtedly the fault of the Council of Agriculture Ministers that only now, when funds are running out, when we have our backs to the wall, is it beginning to be prepared to perhaps do something. However, I also believe that the Commission should have intervened earlier in this conflict, in which case matters might not have got so out of hand. Then we would have had a better chance of joining together to put our political ideas into practice.

Ladies and gentlemen, I should like to underline one further point in particular in this debate. Parliament's right of control can of course only be effective, if sanctions can be applied. The Committee has tried here to suggest the range of possible sanctions so that control findings can be given some real political meaning. In my view the possible sanctions available to us at this stage are as follows. Firstly, owing to Members' double membership in the Committee on Control and

**Aigner**

in the Committee on Budgets, criticisms and findings arising from the control procedure can be included directly in the current budgetary discussions. I think this is a most important point, namely that experiences gained from the control procedure should play a part in budgetary discussions.

Secondly, the special reports from the Commission — for which I am most grateful, to mention only those on cereals, wine etc. — enabled us to give impulses in many areas and above all to establish direct responsibility, also on the part of the Commission. May I remind you that, for example, on the issue of the acquisition of the new computer, when we discovered that our rapporteur had not received the full information, we very quickly succeeded, with the aid of a special report, in getting the Commissioners concerned to acknowledge full responsibility. Further possibilities of initiating special opinions, from the European Court of Auditors in particular — and I think we can say we have taken full advantage of this — ensure complete transparency of the facts of a case. In my view, complete access to information is an important and undeniable prerequisite for parliamentary control.

Finally, the ability to grant discharge subject to conditions is also a very strong weapon when it comes to exercising political will. I well remember Mr Tugendhat's noteworthy speech here in this House, in which he analysed the legal significance of discharge and came to the conclusion that if discharge was refused this would be tantamount to forcing the Commission to resign. We considered this speech very carefully and analysed it. You said, of course, that you hoped that such a situation would never arise. I hope not too. Not merely recognizing what is legally involved when Parliament refuses to grant discharge, spurs up a political dimension which Parliament must never lose sight of. Special thanks are due to the Court of Auditors, in particular for the special reports which they drew up or are in the course of drawing up. I would mention the reports on food aid policy, expenditure for milk powder, the system for the stabilization of export earnings for ACP countries, expenditure relating to the real estate policy of the institutions, and finally the requested opinion of the Court of Auditors on new proposals for Community regulations with major financial consequences. I think that there can be very few parliaments which have such sound legal basis and such a strong partner as to enable them, in addition to export control, to arrive by means of these ad hoc reports at practically continuous control.

We should institutionalize and extend this cooperation between the Court of Auditors, Parliament and the Commission so that all three partners gradually enter into a harmonious dialogue with one another.

In his speech just now, Mr Colla rightly explained that our greatest concern is the inadequate cooperation with our specialist committees. Let me emphasize this. I have noted with some misgivings that individual specialist committees are trying to approach the Court

of Auditors directly. The procedure we have agreed upon and also our rules of procedure do not permit this. According to the allocation of tasks between the committees, only the Committee of Control is authorized to approach the Court of Auditors through the intermediary of the President — each request is addressed by us to the President and the President then forwards the letter to the Court of Auditors on Parliament's behalf. A specialist committee, however, may not approach the Court of Auditors directly without involving the Committee of Budgetary Control. There are important practical reasons for this, and in fact we have a classic example of a committee requesting a specialist report, which the Court of Auditors is not in a position to prepare, while a similar report had already been requested by us via the President of Parliament. I believe, therefore, that our own work must be reorganized in this respect so that such mishaps are not repeated.

Mr President, I should like to conclude with the following observation: We have worked together to establish a certain partnership with the Commission and with the Court of Auditors, and a basis of mutual trust has been laid down. But while trust is good, control is better. A prerequisite for control, however, is knowledge and this in turn requires information, complete information, unrestricted by anyone, including the Commission. To achieve this, in particular from the Commission, we need Parliament's full backing so that our work can also be successful from Parliament's point of view.

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

**Mr Patterson.** — Mr President, I wish to speak principally on the Seventh and Eighth Reports on the EAGGF Guarantee Section for 1977 and 1978.

However, perhaps I could first join with Commissioner Tugendhat and Mr Colla and Mr Aigner in remarking on the very low attendance. It compares very unfavourably, to say the least, with the attendance we expect at budget debates. As Commissioner Tugendhat pointed out, in a theoretical sense this is rather curious. In the matter of the budget, as he pointed out, we share power with the Council and we are clearly, as this debate has shown, in a certain dispute as to the legal status of the budget. Perhaps I could say at this point, by way of parenthesis, that we are principally concerned with the non-implementation of Parliament's amendments. I think one might go along with the alibi that the Commissioner gave us that if the Council fails to adopt the necessary legal instrument, then there is very little they can do about it. But we cannot accept such an alibi when the cause of the Council failing to act has been the failure by the Commission to present in good enough time the necessary proposal. Furthermore, I would call Commissioner Tugendhat's attention to the first Battersby

## Patterson

report on the discharge, paragraph 26, which refers specifically to measures to help small and medium-sized undertakings, something about which my group feels very strongly.

Now, by contrast with the budget, on the matter of the discharge we alone have the power. What is more, there is no doubt that the discharge is a legal instrument. Indeed, I think it is fair to say that it is the only real legal power that this Parliament has got. So it is curious that so few of us have turned up this evening. It is quite clear why, however. We are talking really, in the case of the EAGGF, about 1977 and 1978 and in the case of the budget about 1978 when this elected Parliament did not even exist. I am afraid most of our colleagues clearly think that this is crying over spilt milk, and I will come back to the question of milk later. Clearly the point of discussing these matters is that the enormous amount of work which the Court of Auditors, the Commission itself and we in the Committee on Budgetary Control have done carries very clear lessons for the future, and it is to the future that we should be addressing ourselves during this debate.

Now coming specifically to the matter of agriculture, I would draw the House's attention to the Court of Auditors' report — chapter II, subsection 3 — where the point is made that, in the nature of agricultural estimates, the factors governing expenditure under the EAGGF Guarantee Section are mainly external to the budgetary procedure. This must clearly be the case. The weather, not just within the Community but throughout the world, determines a great deal of the budgetary expenditure. A great deal of budgetary expenditure is determined not by anything to do with agriculture but by factors connected with world money movements and the monetary policy of the Community itself. I may say that the thing which strikes me immediately on reading these reports is not how inaccurate the Commission were, but how extraordinary it is that they got their sums as right as they did when proposing the expenditures in the budgets.

However, if we look at the figures slightly more closely, a different picture emerges. In 1977, for example, there was an overall underestimate of expenditure — dairy products, sugar and MCAs were underestimated and cereals, beef and veal were overestimated. I would perhaps point out here that the real nigger in the woodpile was the failure to adjust green rates as a result of changes in exchange rates within the Community, and this just emphasizes the point that in this matter agriculture was not to blame. If we go to 1978, the Commission was almost exactly right in its estimates, but there again dairy products were underestimated, as was beef and veal this time, and cereals were again overestimated, as was wine. Mr Bocklet in his report points out that swings and roundabouts worked out very favourably, but he added that this was more by luck than judgment. I feel that although we can go along with the Commissioner that it would be unwise to criticize transfers too much, seeing that the only

way the books can actually be balanced at all in this highly volatile sector is by transfers, we can nonetheless criticize the Commission for the systematic underestimation of these various sectors, and principally for systematically underestimating expenditure on dairy products in both these years and yet again in the years that have followed. After all, three-quarters of the budget is spent on agriculture, and of this 90% is spent in the Guarantee Section, of which in turn between 40% and 50% is spent on milk.

So, first of all, we have to ask why did they get it wrong in 1977? After all it was in 1977 that a whole package of measures was put together to stop overspending in the milk sector — the 1.5 co-responsibility levy, the non-marketing premium, introduction of social milk and social butter — and yet this had very little effect. In 1978 the co-responsibility levy was almost abandoned and was reduced to 0.5%. Now I think the lesson we have to draw from this is that the measures which have been adopted so far in the milk sector have merely been tinkering with the problems. I see Commissioner Gundelach in the Chamber and I urge him, insofar as he still has any influence on what takes place in the current year, to hold firm to the idea of a superlevy or some method of putting an upper ceiling on expenditure in the milk sector. He will get the backing of my group; as to the British Government I know not, but he will get the backing of this group.

My final point concerns the matter of frauds, because this is a question on which the Committee on Budgetary Control feels particularly strongly. The level of frauds does not seem to be very high. In 1977 it was either 169 or 152, depending on which of the two reports you take. Perhaps one of the Commissioners will explain to us which is the correct figure. In 1978 it was down to 117 and 1977 was actually a lot less than 1976, so we seem to be getting better and better. However, if you look at the figures and the amounts of money concerned, the position is not quite so rosy, nor is the position with regard to the recovery of monies. Much the most important point, however, is that agricultural frauds bring the entire common agricultural policy, and even the Community, into disrepute. In my country it merely needs something like the Como fraud to be all over the newspapers for the common agricultural policy and the whole Community to be brought into disrepute, no matter how few the frauds, no matter how small the amount of money involved. That is why it is necessary to control frauds.

Now at this point one can point out what good work the Commission's Special Committee of Inquiry is doing. My only criticism of their work is perhaps that in their two reports on cereals and wine they have created a handbook on how to fiddle the common agricultural policy. There is a radio programme in my country called 'Your Hundred Best Tunes' and I think those two reports might be retitled 'Your Hundred Best Frauds'. There is one I particularly like of somebody driving lorryloads of barley backwards and forwards across frontiers and claiming MCAs every

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time, the fraud being even more blatant because of the fact that when the Commission or the authorities caught up with the miscreant, the sacks did not contain barley but sand. I notice that the Commission says it is possible to have two frauds in the same operation.

However, the point about it is that if you look at the pattern of frauds, they are all due to one thing basically. They are due to the existence of MCAs and to the fact that it is impossible, given normal human nature, to control a system which relies on something as absurd in the last resort as MCAs. This is the distortion which has got to be removed. Of course, progress is being made on this matter, but I hope that the Commission will not cease to press for the abolition of monetary compensatory amounts and green rates. When that is done, a lot more sense will be brought to the common agricultural policy and indeed to budgetary control.

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

**Mr Gouthier.** — (I) Mr President, ladies and gentlemen, on behalf of the Italian members of the Communist and Allies Group, I too wish to express approval of Mr Battersby's work and of the text of the motion for a resolution which we are now examining.

Yesterday, in the presence of the representative of the Council of Ministers, we debated in depth the serious crisis affecting the Community including its financial and budgetary policy aspects. Yesterday, of course, we were debating the 1980 budget crisis, but I think that I can say, having examined the budget for 1978, that many elements of the present financial, political and budgetary crisis can already be found in that document.

In my view, the serious uncertainty hanging over the future of the European Economic Community also affects and is, indeed, seriously prejudicial to the operation of the institutions, leading also to a blockage of the legal and financial mechanisms which already exist and which should function better than they do.

For this reason we think that the debate on this discharge procedure is not merely an accounting or purely administrative problem, but is, and should be increasingly, a political question which should give Parliament — indeed, all its political groups — the opportunity for profound consideration.

As the previous speakers pointed out, an examination of this subject reveals, first and foremost, this basic imbalance in the budget: on the one hand, the agricultural policy, and within it the overwhelming predominance of price guarantees, and on the other, the remaining policies, normally described as investment and structural policies, which are so modest in comparison.

An *ex post facto* examination of the budget shows up even more clearly the serious weakness in the operation of our Community resulting from this imbalance in the budget structure. Only yesterday Mr Colombo pointed out, in connection with the difficult and complex question of the United Kingdom's financial contribution to the budget, that one of the basic causes of the problem was the inadequate development of investment and structural policies. I do not intend to dwell too long on this first point, because — let us admit it — it is debated in almost every part-session.

The second point which is linked with this basic consideration, is that those limited new policies — which are precisely investment and structural policies — operate on a very small scale, which is below the admittedly limited potential. This point of view is demonstrably objective, because in the explanatory statement accompanying the motion for a resolution a fundamental passage from the judgment of the Court of Auditors, which stresses this chronic under-utilization of resources, is rightly quoted.

It would, of course, be ungenerous to make the Commission bear all the responsibility, for the Council and the Member States also have heavy responsibilities. For example, we know that 1978 was a particularly unfortunate year for the implementation of regional policy — a year in which expenditure in this field was particularly low. We know to what extent the European Socialist Fund, even in the face of such urgent and considerable needs, is obstructed by burdensome procedures and byzantine complications. The same applies to the Guidance Section of the EAGGF about which only yesterday we received astounding information about payments which have dragged on for a decade. There are therefore inadequacies and even absurdities in the rules, but the Commission and Council do have political responsibilities. When all of us at times like this, note how decisive research policy, energy policy and a new industrial policy are for the future of Europe, we must also unfortunately note how derisory is the implementation of expenditure capacity in these sectors. In my view, it is of little use to debate, and confine ourselves to passing the buck, after the clearly and unambiguous statement of the Chairman of the Committee on Budgetary Control, which confirms that the Commission has precise responsibilities. Leaving aside all the argument and buck-passing, I think it is truly regrettable to have to note that in strategic sectors of the economic policy, and indeed of the general policy of the Community, not even decisions of modest scope are taken.

I am not a fanatic of budgetary practice, I do not maintain that every commitment must be followed immediately by the expenditure, to the last penny and in the same year. However, the Battersby report makes a timely and essential point, that apart from the possibility of making rapid and effective expenditure, apart from the desirability of careful consideration by the Commission of the timescale and modalities of the

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expenditure, there is the need to work out guidelines and allocate the necessary funds.

However, there is no doubt that today one factor militates in favour of rapid expenditure. This factor is the very high inflation rate which is tending to rise throughout the Community. We know that if the expenditure is not made early enough, i.e. if a balance is not found between the need for expenditure to be rapid and the need for it to be carefully considered, that expenditure will be ineffective. Not only will it not achieve the desired aims, but it will become a dispersed or purely symbolic expenditure of which it can only be said 'we did what we could'.

The rapidity and timeliness of the expenditure in relation to the rising inflation rate in the Community is in my view a decisive factor. I think all of us are aware of this very bitter reality, especially in view of the continual increases in oil prices. As time goes on this rise in the Community inflation rates becomes an increasingly negative and disturbing factor. Moreover, it seems to me that Mr Tugendhat's statement — which was not a mere exercise in self-justification but also in a sense objective — in my view underestimated the problem of the carry overs entailed by the postponement of the expenditure. I therefore take the view that the reduced transparency of the budget and the general burdening of the budget mechanism which result must be taken into account when considering delays in effective expenditure.

Mr President, ladies and gentlemen, I wish here to stress another general political aspect, which I think is important not only to my group but to all the political groups which took part in the direct elections to the European Parliament last year. We are all aware of the need to increase the powers of Parliament, to implement the powers which it already has, and for it to exercise to the full its controlling function in this context. It has been rightly pointed out, even by the Commission that this control is not only technical but political, and the logical conclusion is that a rejection of the discharge by Parliament can only mean the resignation of the Commission.

In the new perspective created by the election of the European Parliament by direct universal suffrage, we cannot but be concerned about these negative factors, chief of which is this undoubted reluctance on the part of the Commission to implement decisions taken by Parliament. Here too — I repeat that I am not a budget fanatic — greater courage and determination is needed in implementing Parliament's decisions. The problem rightly raised here, of the preponderant, indeed excessive power of the Management Committees, which go beyond their consultative functions and influence and interfere with the decision-making mechanisms has now become intolerable. This problem must be solved.

The same applies to the problem of the amendments. Mr Battersby points out that fewer than a third of the

amendments voted were adequately implemented in 1978. All this inevitably detracts from the prestige and the operational and political capacity of Parliament.

It is true that, unlike the new investment and structural policies, the expenditure on the Guarantee Section of the EAGGF is going ahead rapidly. But we know that the powers of Parliament, which are essential for effective control, are virtually ignored in this sector. The calculations go on for ever. The same is true of the food aid policies. One of our colleagues has drawn up a useful report on the subject, showing that the phase of mobilization of stocks for these aids, that of transport and that of delivery all very largely escape any effective control.

In the same way, the loans policy and operations of the EIB are still exempt from any type of control or examination by Parliament.

In our view, all these factors have a seriously detrimental effect on the prestige and the political initiating role of Parliament.

This positive cooperation on budgetary control between the Court of Auditors and the Commission will be all the more beneficial to the extent that the basic political decisions, a clear vision of Parliament's role as an institution — a new institution which must grow in strength — complement the difficult and laborious work on budgetary control carried out by the Court of Auditors and the Commission.

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

**Mr Irmer.** — (D) Mr President, ladies and gentlemen, the Liberal and Democratic Group will be voting for the proposals on the discharge to the Commission on the implementation of the 1978 budget, albeit with a very clear reference to the remarks contained in Mr Battersby's report. We believe that the Commission should pay particular attention to these remarks and should in future adopt the procedure set out therein. I think today's discharge debate, preceded by an examination of how the Commission has implemented the 1978 budget, is of particular importance in the life of this Parliament. Parliament's right to discharge the Commission — or to refuse to do so — is a logical and necessary counterpart to our powers as regards the formulation of the budget. After all, what would be the point in Parliament having the right to its say, as one arm of the budgetary authority, on what should go into the budget if — as unfortunately happened all too often in 1978 — the spending authorized by Parliament is effected either too late or not at all, or not for its original purposes. I must most emphatically contradict what Mr Tugendhat had to say about it not being the point of budget management to ensure that all the money is spent. Of course, there may be cases where it makes more sense not to spend money at a particular

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time. In other cases, technical difficulties may make it impossible to spend the money in this particular year. But we must adhere to the principle that when Parliament writes a certain amount of spending into the budget, it is in effect saying that this specific amount should be spent for this specific purpose in this year. That is the principle, and it is something we must adhere to, especially as this House is now responsible to the people of Europe and — and this applies in particular now to the directly-elected European Parliament — as told the people what policies it intends to pursue. We have all of us said that we must work on the development of other policies; we must place more emphasis on other policies than has perhaps been the case. We must push regional and social policy with the aim of eliminating the discrepancies between the poor and the well-off regions of Europe, and of combating unemployment, especially among young people. We must pursue a common energy policy. When this House approves a certain amount of money in the budget to backup these statements of intent, it has a right to expect the Commission to spend the money. That is the basic principle.

As I said earlier, this was unfortunately not always the case in 1978. Of course, as Mr Tugendhat pointed out, there are administrative difficulties, both at Community and at Member State level. Of course, there are also technical problems, but quite apart from these there are serious cases in which the Council is first and foremost to blame because of its failure to take action and to issue the necessary outline provisions. The Commission too deserves its full share of the blame for this situation, because when the Council fails to take action, it is — I believe — the Commission's right and duty to do something off its own bat and to spend the money on the adequate legal basis of the budget. All too often, the Council fails to meet its obligations — or fails to do so in good time — and in such cases, the Commission should not use this as a pretext for failing to meet its obligations too. As I said at an earlier part-session, people used to be encouraged to stand up to despotism, and what we need right now is for the Commission to stand up to ministerial despotism. That is something which would well become the Commission, and that is what we now expect of the Commission.

To take a topical point, ladies and gentlemen, what will happen if the current agricultural crisis becomes invalid on 1 June and the Council fails to reach a decision by then? What should we do then? In such a case, I would expect the Commission to say that a majority decision was taken in Luxembourg and that decision was in accordance with the Treaty of Rome. We should then adhere to this majority decision and implement the policy expressed therein. And that is what I understand by the constructive development of the Community by the Commission.

Since time is short, I shall refer only very briefly to the detailed points I covered in the Committee on Budgetary Control in my capacity as draftsman of an opinion.

What I have to say concerns development aid, and I shall try to be brief in view of the fact that this Session will be suspended in three minutes' time.

The first point concerns food aid. Before 1978 there was no clarity whatsoever in how budgetary resources were utilized in this sector. In particular, there was no way of guaranteeing that the amounts set aside for a particular budgetary year were actually spent in that year. Over and over again, we had appropriations going begging. In 1978, a token entry was written into the budget for the 1978 programmes, although — and here I have a word of criticism for the Commission for submitting this draft budget — this was done with the full knowledge that this token entry would be needed later to transfer resources from the current funds for 1978 to this budget heading, which is what in fact happened. The fact is that some 20% of the resources earmarked for the 1978 programmes were transferred to earlier programmes from Title 9, the proportion rising to as much as 80% for Title 6. In its report — which I can only endorse — the Court of Auditors made the point that this practice simply made the budget proposals totally meaningless. I am pleased to say, however, that the Commission has now stated that this practice has been discontinued as regards the implementation of the 1979 budget, and that nothing of the kind was planned for 1980 either. I am very pleased to hear this and I have no reason to doubt the honesty of these statements.

The essential problem as regards food aid seems to me — and this point was brought out clearly by the work of the Committee on Budgetary Control — to be the fact that the Council and the Commission — as the administrative authority involved — clearly treat the question of food aid less in terms of development policy and humanitarian consideration as of what surpluses happen to be held in European cold stores; in other words, the food aid is not sent to the countries which need it at the time it is needed, but in the main whenever stocks within the Community allow. I think this is bound to give an imprecise picture. It is perfectly legitimate to say that the surpluses must be utilized, but if we write in certain appropriations for food aid into our budget, what we have in mind are development policy and humanitarian considerations and not the agricultural policy and ways of disposing of the Community's agricultural surpluses.

As regards financial and technical cooperation with the non-associated developing countries, Mr Tugendhat, 36 million units of account remained unspent in 1978; in other words as much as 87% of the funds earmarked in 1977 for spending 1978. I do not think there can be any talk here of it not being necessary to spend all the money when in fact only 13% of the available funds was in fact spent. In my opinion, this is a very serious state of affairs.

Replying to this criticism in the committee, the Commission claimed that this argument was not sound in that the money had not simply gone by the board,

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but had simply been incorporated into the next budget. That is of course correct, but it does not alter the fact that these 36 million units of account should have been spent in 1978, and were in fact not spent. If we take these two years together, we might have spent 36 million in 1978 and another 36 million in 1979, whereas the fact is in 1979, because of the new approach, the only money available was that left over from the previous year.

As regards non-governmental institutions — and I shall really have to be ultra-brief from now on — which are supported by the Community, I am very pleased to see that everything has worked extremely well here, and I should like to ask this House to bear this in mind in its future budgetary proposals and to do more to encourage the work of these non-governmental institutions.

As regards non-governmental institutions — and I just two points I should like to make. Firstly, the work of the EIB, which — when all is said and done — provides more than 10% of the resources for the fifth Development Fund — is not subject to parliamentary supervision. This will have to change, and the change could be effected by incorporating the European Development Fund in the budget. Let me remind you that we decided here in March to apply for a legislative conciliation procedure with the Council. I should therefore like to ask our Bureau to follow up this decision and initiate this conciliation procedure as soon as possible.

Finally, allow me to comment briefly on the relationship between Parliament and the Commission as regards this work. I think I am right in saying that neither of us pulled our punches in the debate in the Committee on Budgetary Control. I think that is how things should be, and no one from the Commission should misinterpret this as meaning that we in this House are hell-bent on destructive criticism. That is in no one's interests. By trying to get down to the bottom of things — and that is something we can and must do more thoroughly in the years to come — and by trying to put our finger on errors and touching open sores, we are simply trying to get the Commission to revert to its original role of the driving force in the European Community. The European Parliament sees itself as a driving force, but we believe that we need the Commission as our allies. If we set to work on this basis and do not make the mistake of sulking whenever we are criticized, we shall be able to work together towards our joint aim of making our Community work more effectively and improving Community policies.

#### 15. *Membership of committees*

**President.** — I have received from the Group of the European People's Party (CD Group) a request to appoint members to the following committees:

— *Political Affairs Committee:*

Mr Tindemans

— *Committee on Economic and Monetary Affairs:*

Mr Herman, to replace Mr Tindemans

— *Committee on Energy and Research:*

Mr Vandewiele, to replace Mr Herman

— *Committee on External Economic Relations:*

Mr Deschamps, to replace Mr Vandewiele

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

Mr Henckens, to replace Mr Verroken

— *Committee on Youth, Culture, Education, Information and Sport:*

Mr Verroken, to replace Mr Henckens

— *Ad hoc Committee on Women's Rights:*

Mr Del Duca, to replace Mrs Cassanmagnago Cerretti

— *Delegation to the Joint Parliamentary Committee of the EEC-Greece Association:*

Mr Del Duca, to replace Mrs Cassanmagnago Cerretti.

Are there any objections?

These appointments are ratified.

The sitting is suspended.

(The sitting was suspended at 8.05 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR ROGERS

*Vice-President*

**President.** — The sitting is resumed.

16. *Discharge to the Commission on the implementation of the budget of the Communities for 1978 — Seventh and Eighth Financial Reports on the EAGGF — Guarantee Section (continuation)*

**President.** — The next item is the continuation of the

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joint debate on the reports drawn up by Mr Battersby on behalf of the Committee on Budgetary Control.

I call Mr Coppieters.

**Mr Coppieters.** — (NL) Mr President, in a voluminous annex to the reports we read the names of many eminent colleagues: Gabert, Colla, Notenboom, Wettig, Gouthier, Dankert, Filippi, Irmer, Simonnet, Kellet-Bowman, Poncelet, Battersby and Focke. But despite this rather impressive list I cannot forget that this is a debate on powerlessness. Now that the Court of Auditors has made its budgetary checks, Parliament is being asked to take a political decision, to give a discharge in respect of the 1978 budget and, in various cases, even of items in the 1977 budget, in other words one and a half to two and a half years after the completion of the financial year itself. And even the critical report by the rapporteur, Mr Battersby, is deceptive, because I find the situation more disappointing than his report suggests.

I know that our working methods take account of Article 206 b of the Treaty establishing the European Economic Community, under which the European Parliament gives a discharge on the basis of a recommendation from the Council. The Commission has pointed this out often enough. But this way of doing things leaves us with the very strong impression that the Committee on Budgetary Control is for ever doomed to be left out in the cold. Allow me, as previous speakers have done, to give just a few of the many examples: in 1978 this Parliament decided that the budget should be amended to the tune of over 155 m u. a in payment appropriations and over 28 m in commitment appropriations. Only now does it transpire that, where the vast majority of these amendments was concerned, the Commission took no account of Parliament's express wishes when implementing the budget. Commissioner Tugendhat says, 'There was a Parliament in 1978 too.'

All I can say is that there must have been a lot of honest Members here then. The appropriations for technology intended to assist small and medium-sized undertakings were not spent at all in 1978. In the meantime much has been said in Parliament on several occasions in favour of an increase in aid to small and medium-sized undertakings without it being known how little budgetary attention the Commission had been paying to these SMUs. A third example: it is only two years after the event that we are informed of the hopeless administrative muddle in the European Schools. And a final example: the regulations on control mechanisms and procedures relating to food aid are in urgent need of revision and of more efficient enforcement, according to the report of the Court of Auditors, a view supported by the rapporteur, Mr Irmer. What is the position one or two years later, ladies and gentlemen, as regards this urgently needed revision?

And what will we be hearing about Cambodia in two years' time? Will we be hearing in two years' time that, for example, this food aid did not reach its destination? In two years' time. But we discuss Cambodia here for hours on end! What is so remarkable about this is that the right to give a discharge in respect of budgets is described on page 21 of Mr Battersby's report as having 'strengthened the role of Parliament considerably... from the political viewpoint'. Mr President, ladies and gentlemen, I hope you can appreciate the humour of the situation. The fact that the Committee on Budgetary Control and later Parliament can but take action after the event can hardly be regarded as a real political improvement of the role played by the directly-elected Parliament and leads me straightaway to give a few more practical examples. It is claimed that the refusal to give a discharge means a repudiation of the Commission. That sounds straightforward enough. Let us assume that in 1981 — and I regret the absence of Mr Colla, who complained about others not being here — we refuse to give a discharge. Would this be a repudiation of the new Commission? Or would we rightly be referred to the former Commission as the responsible party? Do we not have here a paper tiger in politics?

To give another example, we have spent four months discussing practical means of granting food aid to Cambodia. In 1982 we will hear whether this food aid was effective. In these circumstances, I believe we should not mention greater efficiency or Parliament's increasing political power in any report. And yet, Mr President, Treaty legislation does provide opportunities of increasing this efficiency. It can be done through the extremely useful instrument of the Court of Auditors, which undoubtedly deserves every praise. For this Court of Auditors can be directly involved in the European Parliament's activities. Why should the Court of Auditors not automatically send Parliament a copy of all the comments it makes during the current financial year as the Belgian Court of Auditors does. There is nothing to forbid this in Article 206, 206 a or 206 b. It is a possibility, it is a way of doing things, and it has nothing to do with the Treaties, to which we sometimes all too glibly refer. In this way there can be very useful interaction between the Court of Auditors and the Committee on Budgetary Control. This committee can be the pivot that brings about the better functioning of the institutions. This committee can become at a stroke a vital committee in the relationship between the institutions of our Community. And in this way Parliament could exercise permanent control over the Council's and Commission's decisions on the basis of Treaty legislation.

It might mistakenly be thought that I am trying to minimize the functions of the Court of Auditors. Quite the contrary. My aim is to place the highly qualified, technical abilities of the Court of Auditors at the service of those with political responsibility in the current year. Those with political responsibility sit in this Parliament, and I recall, not without some bitter-



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ness, various election campaigns in which candidates from large political groups tried to persuade their constituents that we were going to have great power: control over the budget. And when we dared to dispute this, our arguments were waved aside as views born of a lack of understanding and experience. My understanding and my experience, after noting these reports, is that this power is fictitious and that we could change this to the Commission's and Parliament's benefit if we simply used methods which prevent a situation in which we make ponderous statements two years after the event on a policy that has or has not been pursued.

**President.** — I call Mr Poncelet, on behalf of the Group of European Progressive Democrats.

**Mr Poncelet.** — (17) Mr President, the adoption of the report on the giving of a discharge for the 1978 financial year is undoubtedly an important act for our Assembly, whose duty it is to carry out a parliamentary check on the Community's finances. This operation directly affects all the tax-payers in the Community. They have an obvious interest in knowing that the taxes, duties and other levies they pay to Europe are being used effectively for purposes that have the support of their democratically elected representatives. If Parliament's political control function is necessary, Parliament has a duty, as we are all aware, to perform it as conscientiously as possible. For this our Assembly has all the essential powers.

The Treaties have conferred on it the exclusive power to decide, acting on a simple recommendation from the Council, whether or not the discharge should be given. The Treaties have also placed the services of the Court of Auditors at our disposal. Its powers to investigate and to enquire into Community finances are also, generally speaking, very extensive.

Our Assembly, as the chairman of our Committee on Budgetary Control, Mr Aigner, has pointed out, would be doing all European tax-payers a grave injustice if it only partly and over-hesitantly did its duty in this respect and also if it did not have the will to equip itself with all the means it considered necessary to accomplish this important mission.

The Committee on Budgetary Control has essentially adopted the remarks I made at the end of the working document which I presented during a discussion in committee, and I welcome this. The discussions in committee showed that one of the important aspects of the discharge for 1978 should be the assertion of Parliament's will to subject borrowing and lending activities to the control of the Community's political authorities. After all that has been said — excellently — by previous speakers, I shall confine myself to the checks we must make of loans contracted by various establishments closely linked to the Community, if not under its protection.

There are several basic reasons for this. Firstly, there is the multiplicity and the spread of the Community's present borrowing instruments, Euratom loans, the new Ortolani loan, the European Investment Bank, the European Coal and Steel Community loans, which largely, and sometimes totally, escape the direct control of the responsible political authorities. The volume of borrowing and lending operations is far from being negligible. In 1978 they involved 3 000 m EUA, or one quarter of the general budget. As far as I know, no State would accept that such an amount should be borrowed with it as guarantor, without there being better control than that which we at present exercise.

It is not therefore acceptable, ladies and gentlemen, that so large a sum of money should not be subject to our control. That is why the Committee on Budgetary Control feels that all the information should be presented to Parliament, particularly as regards management operations. It also feels that the Court of Auditors should strengthen its controls in this area, and I believe our Assembly would be acting wisely if it adopted a recommendation of this kind.

The spread of the various borrowing and lending instruments very obviously detracts from the efficiency of their management. Combining responsibilities in this field would, in my view at least, result in better coordination of Community activities in the financial markets. Even though efforts have admittedly been made within the Commission to coordinate the activities and policies financed by the general budget with measures financed by means of loans, it is clear that this coordination must go beyond the level of management and rise to the level of policy-making. An essential step would be taken in this direction if we agreed to the budgetization of borrowing and lending activities. It would also be very useful, but this is only a recommendation, if more frequent recourse was had to any interest rebates that might be available and would, in some cases, act as a greater incentive than that provided by credits received from the Community or other sources of capital.

The discharge is not only backward-looking, ladies and gentlemen, because it seems obvious to me that we must learn from the lessons of the past in our attempts to build the future. The Group of European Progressive Democrats has endorsed the amendments that have been tabled, because they are in every respect pertinent. This is not surprising when you consider the feeling of uncertainty among farmers today. Today it is no longer possible to discuss budgetary problems without thinking, if only for a moment, of the major agricultural issues. I should like to take this opportunity to challenge the Commission and the Council on the position of our farmers in 1980, although I would stress — and Mr Aigner agrees with me on this — that the Commission has done excellent work in the budgetary control field.

**Poncelet**

It is inconceivable, ladies and gentlemen, that we should leave the farmers of the Community in ignorance of the prices at which they can sell their produce. Can you imagine any industrialist in the Community agreeing to start production without knowing the sales price? This situation seems intolerable to every one of us. Our Assembly has criticized the Council, and rightly so, for its inability to take a decision on agricultural prices, thus blocking the budgetary process. But have we been able to guide the Commission and Council? Have we fixed a clear rate of increase in agricultural prices? Who of us here could say that the various resolutions we have adopted have recommended the Council and the Commission to adopt a rate of 5 % or of 7.9 %? This is not stated in any of the documents. Everything is written in terms which very often allow of ambiguous interpretation.

Let me remind you of the amendment tabled by Mrs Barbarella. It is a model of contradiction. This approach, which comes close to the limits of good faith, is also to be found elsewhere. I offer as evidence no more than paragraph 3 of Mr Dankert's resolution on the 1980 budget, which we discussed for a long time this afternoon. His way of thinking is none the clearer to me. Nor was I able to assess the full value of an elegant gesture made in my direction on this point. This way of thinking is simple: we have made a political gesture in rejecting the budget, but as regards the economic consequences our Assembly seems to be saying: 'It is not our responsibility'. That is not an attitude democratically elected representatives should adopt. After criticizing the absence of a budget and the absence of agricultural prices, Mr Dankert quite calmly incorporates in one paragraph — paragraph 6, I think — Mrs Barbarella's amendment, which, as I see it, is a confession — which I have denounced on several occasions — of the powerlessness of our Assembly.

I could not discuss budgetary questions without saying a few words about the grave concern felt at this time by our farmers. I shall finish by saying: Let us have an end of delays, indecision and even failure. The Community, ladies and gentlemen, is in the process of becoming paralysed. We shall have much to say in explanation of the implementation of the 1980 budget, Mr President, but we must remember the circumstances in which it was adopted and the way in which it was partly implemented in the form of provisional twelfths. It is time respect was again shown for the three inseparable principles which gave rise to the solidarity of our Community: free movement, Community preference and financial solidarity. If these principles are not strictly observed, there can be no common European policy, however much goodwill we may have and despite the great declarations of principle we waste no opportunity in making elsewhere.

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

**Mr J. M. Taylor.** — I would like your guidance, Mr

President, as to whether you intend to direct speakers to speak to the subject or not because, if you are not, we might as well all speak about what we like, or all go home. The last speaker seemed to me to devote 95 % of his remarks to the current budgetary situation, namely 1980, not the discharge of 1979. I require an answer to a serious question: are you going to make speakers speak on the subject in hand or not?

**President.** — As I understand it, the recommendations relating to the discharge of the budget, cover the whole range of budgetary implications. I do not know whether the Presidency has a right to confine Members in this way. I will take the matter up. I think it is only on certain procedural issues that we can require members to speak very specifically.

**Mr J. M. Taylor.** — I trust you will look at this matter fairly closely, Mr President, and I hope you will advise that our remarks are supposed to be germane to the subject in hand. Otherwise many of us may be tempted to exercise the same latitude and talk about exactly what we want.

**Mr Poncelet.** — I request leave to make a personal statement.

**President.** — Mr Poncelet, I feel that you were not personally attacked, even though what you said was attacked. I think that is a different matter. If it was a personal attack I would also take exception.

I call Mr Cheysson.

**Mr Cheysson, Member of the Commission.** — (F) Mr President, I am very happy that, as the various reports on the discharge cover certain aspects for which I am the Commissioner principally responsible, I am able to address Parliament during the debate this evening.

I am also very happy to have this opportunity when I recall the time when I held the very responsible post of Commissioner for the budget, a time when some Members of Parliament had a long discussion on how Parliament's powers to grant a discharge compared with its overall political responsibility. At that time many Members of this Parliament, including Mr Poncelet, who was then on the government side, stressed that, since Parliament had this power to grant a discharge, it should take the opportunity to review all the Community's policies and to express its views on them. After all, it is often said that the European Parliament, having limited powers, cannot make itself heard, but where it has power, it has a tremendous opportunity to criticize and to assess the various policies in an effective manner. That is one reason why, Mr President, I join with the Budget Commissioner in congratulating Mr Battersby and Mr Filippi on the

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reports they have presented and Mrs Folker on the report she has drawn up on behalf of the Committee on Development and Cooperation, which deals more specifically with the subjects for which I bear some responsibility.

In his report and in his statement Mr Irmer has placed great emphasis on the role of the Court of Auditors. We can but endorse his views. We have now had several months to assess the work of the Court of Auditors in the fields which are my particular responsibility, both in Europe and elsewhere. And here I should like to quote one of the members of the Court of Auditors, Mr Mart. The quality, the criticism, the expertise which we now have through the Court of Auditors is a very important element in the progress of this Community. The atmosphere between the Court and the executive, which is what we are, is very satisfying, because not only are we not offended at being subject to the control of the Court of Auditors: we are grateful to it for this control. It gives us food for thought, and this is very important. I shall not dwell — there is not time for this — on subjects on which the rapporteurs very largely agree with the Commission: the development of our activities through the intervention of non-governmental organizations, the need now to include in the budget substantial appropriations to cover the consequences of disasters: in the past we did not want to anticipate disasters, preferring to request transfers of appropriations when they occurred. Like the Assembly, we feel we should adopt a different course, and you will note in next year's preliminary draft budget that we have included a sizeable appropriation. Nor will I dwell on the remarks that have been made about our cooperation with the United Nations, which covers — badly perhaps — the needs of the Palestinian refugees. We should be cautious in this. I shall refrain, Mr President, from discussing the effect of the Stabex system under the Lomé Convention until a future debate, which will have to be held on the basis of a report from the Court of Auditors in particular.

I should like to refer briefly to the paragraph of the resolution tabled by Mr Battersby and the Committee on Budgets on the budgetization of the EDF. I would point out that, even before Parliament did so, the Commission expressed the desire in 1973 that the EDF should be covered by the budget and said how abnormal it thought it was that this should not be the case. But, to echo Mr Irmer, I would say that the budgetization of the EDF has no connection with another subject raised by several speakers, including Mr Poncelet just now, and that is the control by this Parliament, perhaps eventually by the Court of Auditors, of the activities of the European Investment Bank. The European Investment Bank is a very important instrument for Europe, both internally and externally. And this instrument is not subject to any democratic control at all. This has nothing to do with whether or not the EDF appropriations are included in the budget. That is a separate matter.

I would refer, Mr President, to two subjects to which the rapporteurs and committees have paid particular attention: aid to the non-associated developing countries, a matter that has already been mentioned by my colleague in his statement. We have said how much we regret that the agreement with the Council; which is needed if a satisfactory arrangement is to be introduced for the administration of this aid, has been delayed so long. Mr Tugendhat also said that we are rather sorry that Parliament's interest is episodic, separated by long periods of less pronounced interest, which gives our committees less chance of being heard.

In the circumstances, we are doing what we can. And the implementing periods are not surprising when it is remembered that we are dealing with appropriations for projects and that these projects necessarily take a long time to prepare. The same is true of the European Development Fund projects, which certain rapporteurs regretted had been delayed so long.

In this context, I am happy to be able to tell them that on 31 March 1980 80 % of the EDF of the Lomé Convention had been committed. The chief remarks, Mr President, concerned food aid. Some of them were very critical and this, I admit, was perfectly justified. It is true that in the absence of a satisfactory arrangement for the administration of food aid we have a procedure which is incredibly cumbersome. And this is particularly shocking when food aid is needed urgently. It is also true that these procedures were established at a time when food aid was a friendly way of getting rid of agricultural surpluses. And the Commission completely endorses the conclusions drawn by the rapporteur in the motion for a resolution that 'as regards food aid, priority should be given to humanitarian and development aspects', to quote from the resolution. This subject will be taken up again during the debate on hunger in the world which Parliament will be having in July. I will therefore refrain from discussing it at length until that time.

The report and the motion for a resolution also criticize the inadequacy of controls in the area of food aid. Fragmentary and deficient controls, according to Mr Irmer. I can but acknowledge that this is true. But I do have something to say, Mr President. Firstly, as Mr Irmer's report itself says, with the staff we have at present there is no point in my saying that these controls will improve. It would not be true. You cannot claim you are controlling the administration of 800 m EUA of food aid with seven or eight officials.

Ladies and gentlemen, if you want us to be able to administer, give us the staff. I find that every time food aid is discussed, you deplore the shortage of staff, but every time it comes to working out what staff is needed, the goodwill vanishes. We are not at present in a position to control properly what we are doing on the food aid side. The rapporteurs are right to denounce this situation. They are right to denounce it up to a point, because — and here I repeat what Mr

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Coppieters said — there are cases where we know when we provide the food aid that there will be wastage.

Mr Coppieters, we know very well that some of what we send to Kampuchea cannot be controlled. If you are proposing that we should not send any more, I would ask you to do so. It is not a position the Commission shares. I have never concealed from this Parliament that certain aspects of food aid, especially to countries where the situation is particularly disturbed, cannot be subject to thorough controls even if we had sufficient staff. Nevertheless, our controls should be improved: the criticisms expressed by the rapporteurs and by the motion for a resolution are completely justified.

Mr President, other remarks concerning food aid referred to the transparency of our administration, and again I must admit that in the past we deserved this criticism. Several rapporteurs were angry or surprised at the disorganized movements of appropriations from one year to the next. In fact, we were very late in carrying out food aid operations entered in a given budget. As these operations were carried out under subsequent budgets, various ingenious, cunning movements were resorted to despite the annual budgetary rules.

It might have been better to use differentiated appropriations, but I do not think so. I believe that the best way is better administration, which we now have, as you will see, for example, from the 1981 preliminary draft, in which there are few payments that correspond to the previous financial year. We are now able to undertake all our food aid operations in the budgetary year corresponding to the budget adopted by the budgetary authority, which is satisfying, and we shall no longer have any of the disorganized movements of appropriations we have rightly denounced. As regards differentiated appropriations, Mr President, we look forward to the day when the Council at least authorizes us to enter into multiannual food aid commitments. As far as this year's commitments are concerned, we do not find the differentiated appropriations useful. I believe, Mr President, that my remarks have been precise and to the point, and I would place them in the context of what I began by saying, that is in the context of the opportunity that this Parliament has of expressing its opinion on our policies, of which it is fully aware, just as it is aware of the powers it has when it comes to discuss the discharge.

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

**Mr Dankert.** — Mr President, I would like to ask you whether Mr Gundelach will also speak later in the debate. I intended to address myself only to the Guarantee Section. If he does not intend to speak there is no point in my speaking in this debate.

**President.** — If Mr Notenboom agrees, I shall call you first so that Mr Gundelach can answer your question, after which I shall call Mr Notenboom.

**Mr Notenboom.** — (NL) I agree despite my state of health, if I can do a colleague a favour by so agreeing.

**President.** — I call Mr Dankert.

**Mr Dankert.** — (NL) I am very grateful to Mr Notenboom. Now that you have so decided, I will avail myself of this opportunity. I find this arrangement far from optimal, but then the whole system of questions and answers in this Parliament does not yet work well, and I feel that we shall eventually have to find a better way of going about things.

I intend to concentrate entirely on the Guarantee Section of the EAGGF and to tackle three problem areas in this context which are described in a fairly detailed manner in Mr Battersby's reports. These are problems with which Parliament is still struggling somewhat. The first concerns the almost constant underestimation of expenditure in the Guarantee Section. Mr President, it has been like this for years. It is almost automatic in some sectors, and I believe that with the system of provisional twelfth the Commission is at the moment in danger of being forced to pay the price for this kind of underestimation. Again and again the consequence is supplementary budgets, and that is a very sad state of affairs. I admit that it is extremely difficult — and I have every sympathy in this respect — to make accurate estimates at the moment when the Commission has to put them down on paper. But what is striking is that the estimates of expenditure in the Guarantee Section are always too low, and I think that is a problem. The estimates for each policy sector, each chapter, each area of policy are very important, because we as a Parliament are constantly confronted at the end of the financial year, without being able to exercise any influence, with very considerable transfers within chapters and considerable transfers from one chapter to another. I admit that under the present system Parliament cannot bring greater influence to bear, but I would urge the Commission to inform Parliament during the financial year in detail on what is happening as regards transfers within chapters. Last autumn we had some considerable trouble with the third supplementary budget, which involved substantial sums of money. I feel that a better exchange of information between the Commission and Parliament is needed if, despite the unsatisfactory situation as regards the Treaty, despite the unsatisfactory situation as regards Parliament's budgetary powers, things are to be done somewhat better and more satisfactorily from the point of view of parliamentary control and granting the discharge in the proper manner.

It is my opinion — and this is also to be found in the

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Battersby report in rather vaguer terms — that it would be altogether easier if the financial year and the agricultural year were the same. If the agricultural year also ran from 1 January to 1 January, we might well have a situation in which the ministers could always fix their prices by 1 April. That in itself would be a great step forward in this Community, but I also feel that for reasons of budgetary transparency and for Parliament's exercise of its budgetary powers it is extremely important for this change to be made. I should also like to hear the Commissioner's views on this.

My second point — and in my opinion an important one in view of the Community's financial problems — concerns levies and refunds. All the discussions in the Committee on Budgetary Control with representatives of the Commission — discussions which I found particularly useful and which were conducted in a frank atmosphere, with a great deal of information being exchanged — showed that there are in fact two serious problems. The first is that small and medium-sized undertakings are being increasingly excluded from the import-export trade. The whole problem of levies and refunds can be placed at the door of a number of often multinational traders. I consider this an extremely harmful development and all the more harmful because, as the quarterly *For a policy*, a reasonably authoritative American publication, recently stated, the United States has a similar problem and there too there is this shift to multinationals or a number of large operators, the consequence being — and I feel this is also true of Europe — that these large operators are largely able to determine world market prices and, despite substantial losses now and then, when their operations have been excessively speculative, they are therefore able to emerge from the process with a profit. In other words, the tax-payer in Europe pays for the operations of these undertakings for their own account. In view of the similarity of the problems in the United States and Europe I feel this is a matter for serious, closer study. I would ask the Commission to make a thorough examination of whether this system can be changed and whether such change — and this is the second point I wish to make — would not result in some major economies. I think it is a pity that the Court of Auditors — although it may well do so in the future — has not yet paid any attention to this aspect, possibly because in my opinion the Court of Auditors has so far paid too little attention to the problems connected with sound management, which certainly come within its terms of reference. I also hope that, since the Court of Auditors does not yet do so — and I am sure that this will come, in view of its chairman's tendency to seek out things of this kind — the Committee on Budgetary Control will look rather more closely at these problems, which are important enough to warrant such attention.

To conclude, Mr President, I should like to make a few comments on fraud. From the report of the Court of Auditors on 1977 and 1978 it appears that no cases of fraud at all occur in some Member States, while

others are honest and report any number of cases. This produces an extremely unrealistic picture of the extent of fraud in the Community.

I wonder if the Commissioner can envisage possibilities of ensuring better control by means of better coordination and better cooperation between European and national authorities, I have the impression that the fraud problem cannot be solved at the moment because the Commission, in its well-meant efforts to combat fraud, depends too heavily on the willingness of Member States to do something about it.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) This debate on the discharge of the budget for 1978 and the Financial Reports on the EAGGF for 1977 and 1978 gives us an opportunity to look once again at the problems connected with the common agricultural policy from an overall viewpoint. The reports presented on behalf of the Committee on Budgetary Control have necessarily been drawn up from different angles, depending on their subject. It is nevertheless appropriate to deal with them jointly, because several fundamental problems arise in both reports or they supplement each other, as has been pointed out.

I must first of all thank the honourable rapporteur, Mr Battersby, for the very interesting and valuable work which has made this important debate possible. I should like to emphasize that I regard the criticisms that have been expressed as positive contributions to our efforts to administer the CAP in the best possible way. Many important matters that need to be discussed have been brought up. I shall deal with these points, possibly at slightly greater length than I should, but they are all fundamental and should be discussed.

Parliament must, of course, remember that it, too, has joint responsibility; for it not only has a supervisory function, which is of vital importance in producing a sensible policy, but also participates in the policy decision-making process. It gives advice, for example, on the agricultural policy that should be pursued. Parliament must consequently draw the necessary conclusions from the advice it offers the Commission and accept the budgetary consequences when the Commission implements the policy which the great majority of the Members recommend. I have not heard this fact acknowledged in all the speeches I have heard this evening.

On the subject of the EAGGF, Mr Battersby's report draws attention to the serious problems of a general nature which are still relevant today, even though they occurred in 1977 and 1978. These concern the large share of the Community budget that goes on agricultural expenditure, the increase in that expenditure and the need to limit it by making adjustments in certain

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areas of the CAP, while continuing to pursue a policy of restraint on prices and intervention. Obviously, too, as Parliament will know from the many speeches I have made in this House, the Commission is aware of the problems and has them constantly in mind when drawing up the proposals which it has submitted to the Council in recent years and for which it has fought and is still fighting in the Council. Parliament is familiar, too, with the careful price policy being pursued by the Commission. Furthermore, the Commission is convinced that the measures which have been drawn up or adopted will begin to produce the desired results. I shall return to that in a moment. It should be noted that the rate of increase in agricultural expenditure which stood at 23 % per year between 1975 and 1979 will fall to around 11 % in 1980 under the terms of the compromise proposed in Luxembourg and can be expected to remain about the same in 1981. In other words, we are approaching the point where the rise in agricultural expenditure will be the same, if not actually less — as is the case this year — than the increase in own resources.

The principle of the producers' full financial co-responsibility for disposing of surpluses has been recognized in both the milk and the sugar sectors and will be applied in stages; great progress has already been made this year. It will be possible to implement changes in the intervention system, in the beef sector as well, which Mr Bocklet was concerned about, with the adoption of Community standards and, I hope, with a suspension of intervention, at least during the summer months. The dismantling of the compensatory amounts has continued and there have, again, been substantial savings in this regard. I agree with the honourable Members who observed that the disappearance of the compensatory amounts will make it much easier to combat fraud, for it is here that most infringements occur.

The other points can be dealt with under three heads corresponding to the three stages in our work on the budget: drawing up, implementation and control.

The chief criticism with regard to the drawing-up of the budget concerns the inaccuracy of our estimates, a matter raised by several speakers this evening, including Mr Dankert a few minutes ago. I have on previous occasions spoken of the factors which account for mistakes in the estimates. I am thinking of the fact that the estimates have to be adopted before we know how big the harvest for certain products will be or what abnormal or unpredictable trends may develop on the world markets. Furthermore, there is a time-lag between the adoption of the estimates and decisions, on the one hand, and the implementation of the decisions and their economic impact, on the other.

It has been pointed out that there is a tendency in the Commission to aim too low. Yes, that has been the case in the last three years, because they have been years of record harvests. The previous three years

there was a tendency to aim too high. These were the years when there was widespread drought. There is no in-built tendency to aim too high or too low, but an in-built inability to predict fluctuations in the weather, which I regret, and I do not think this Parliament, with the best will in the world, would be able to do anything about this. I am more drawn to Mr Dankert's idea that we should constantly adjust the estimates to the size of the harvest and world price trends during the year.

Several points have been raised about the implementation of the budget which I should like to comment on. Firstly, with reference to the Financial Reports for 1977-1978, there is the complaint about large appropriations in the EAGGF, Guarantee Section, being carried over. The Commission is aware that these carry-overs, particularly earlier on, have to some extent affected budgetary transparency. Here again, the Commission believes that an improvement in the method of drawing up the estimates can reduce the number of carry-overs. I have already gone into some aspects of the problem. The Commission would point out that the amounts carried over made up 14 % at most of all the appropriations and that the nature of the production involved makes it impossible to avoid this practice altogether — take, for instance, wine or processed fruit and vegetables. In the same report the Commission is criticized for the substantial carry-overs in 1977. I can assure the House that since then this form of operation has been much reduced.

Both reports refer to various aspects of the problems connected with expenditure on the large stocks held in storage and the policy regarding refunds and other measures for this storage, a subject referred to by Mr Aigner, Mr Bocklet and Mr Dankert, and which I should like to comment on now, because I cannot accept most of the criticisms made.

In the milk sector especially it is a fact that about three years ago the Community had produced very large excess stocks of dairy produce with the policy it had been pursuing up to then: more than one million tonnes of milk powder and getting on for half a million tonnes of butter, and, in addition, substantial quantities of meat in intervention. The result is that there are these large stocks in the Community which, together with New Zealand, determines prices on the world market. Mr Dankert, it is not the United States if we are talking about the milk sector. The USA has no influence on prices in international trade. It is the Community and New Zealand, in that order. The existence of these colossal stocks in the Community has meant that the world market price level was lower than it would otherwise have been. The disposal on external markets, which continued to be the cheapest solution, was quite a lot dearer than it would otherwise have been. In regard to both the internal and the external market, our policy in the last three years has been to get rid of these exceptionally large surplus stocks. I consider it a vindication of the Commission's

## Gundelach

policy that we have succeeded in bringing both the butter and the milk powder stocks down to a normal level, no higher than the level needed to guarantee our own supplies and normal transactions. The effect of the disappearance of these stocks has been felt very soon. Combined with international inflation, it has made it possible for the Commission to decrease the export refunds no less than eight times since the autumn of 1979. In other words, it has been possible to save very substantial sums by exporting butter at more normal levels.

We must now endeavour to ensure that these storage depots are not filled up again with continued over-production of these products. There is no risk of this at present in the sugar sector, where we are selling sugar without subsidies, but with a levy which goes into the Community's funds. The application of a co-responsibility levy of meaningful proportions and the Council's decision in principle that new expenditure in the milk sector should not fall on the budget, but on the producers in the form of the super-levy — which was proposed by the Commission some months ago and which we intend to stick to — mean a considerable improvement, not only in the sense that the budget is protected against demands from the milk sector, but also because there will be a further brake on production.

Mr Aigner said that all this had come too late. That is not true, because we began to apply the brakes in the milk policy in 1977. We suffered a set-back because of the massive production in 1978 due to natural climatic reasons, but we nonetheless can now see the effects of the policy we have been pursuing for three years: in important milk-producing areas in the Community, particularly in Northern Europe, butter production is declining and there is marked stagnation in milk production. We must maintain this trend. The areas where production continues to rise are Southern Germany, especially Bavaria, and Western France, where you have the small family farms which, thanks to other employment, are still able to invest in a few cows. This is a problem, Mr Aigner, which I, like you, regard as politically important, but here we must draw the consequences of the political need to protect these farms. Either we safeguard their existence by forcing them to change over to other forms of agricultural production, or we accept the consequences of their production and dispose of their surpluses on world markets where there are outlets for them.

Mr Aigner, I must tell you that you are wrong in saying that the Commission has sold butter to the Soviet Union on particularly favourable terms. That happened under an earlier Commission, as you recalled, but it has not happened once under the present Commission. The refunds in 1977 were not fixed with an eye to safeguarding sales to the Soviet Union, but with reference to conditions on the world market as a whole. Fresh butter was sold in 1978, but also in 1977. Fresh butter is butter that is 3-4 months

old, because it is intervention butter. The only new thing, Mr Aigner, is that we recently disposed of 20 000 tonnes of butter dating from 1978 and the beginning of 1979 from German surplus stocks. And we were very lucky to get rid of such old butter — which we in Europe can only use for industrial purposes — at a price above the price we get when we sell it for industrial use here and a price very close to what we get for so-called fresh butter.

The criticism that is made again and again in this House about these transactions in respect of a certain market — although they are separate from the rest of the refund policy and subject, as you know very well, to a number of very stringent control measures — is not made more valid for being repeated over and over again. I think it would improve the level of debate if we could put that kind of argument aside.

As regards the refund policy: if you take the sharply fluctuating conditions on the world market into account, I venture to suggest that the policy that the Commission has been pursuing, given the level of production we have had, has actually benefited the European taxpayers. We have used the state of the market and sold when market prices were high, and held back when they were low. And, Mr Aigner, I view with perfect equanimity the prospect of any investigation into the policy we have been pursuing in this sector. For I must honestly admit that I feel that, here again, we have done things not only well, but extremely well.

I understand the point raised by Mr Dankert. Who is it who does the selling? Let me rephrase the question a little and say: are we sure there is sufficient competition among those doing the selling? For if there is not, there is naturally a serious risk that refunds can be forced up to an artificially high level; equally, if there is a monopoly situation. We must recognize, Mr Dankert, that small and medium-sized undertakings themselves cannot easily carry out export transactions to areas such as the Middle East, Africa and South America. It is difficult and involves an element of risk and I doubt whether they can do it on their own. But they can combine, as they are doing, into cooperatives. Thus, at the moment we have a substantial degree of competition among exporters of dairy and other agricultural products and therefore we do not in actual fact have a monopoly situation. This for me is the essential consideration and we must make sure that such a situation never arises. For in that case there would be a serious risk of the taxpayer's money being misused.

In this connection I also wish to say that we must naturally seek advice from the management committees as to the export policy we should adopt, but the policy we pursue is not imposed on us by the Council or by individual members of the Council. The Council is generally speaking not competent in these fields. It is the Commission's policy. The Commission accepts full responsibility for it and does not intend to let this

### Gundelach

responsibility slip into the hands of the Council or any individual members of the Council.

I am sorry if I have taken up too much time on these issues, but they are of vital importance, for the sums in question are very large. They are very large, but they are not being used for cosmetic purposes. They are being used to maintain agricultural exports which earn the Community 13 000 m EUA a year and that is increasing, an amount of considerable importance for Europe's balance of payments, not least in the present energy situation.

Various questions have been raised in the report concerning right of ownership in respect of these intervention stocks. I do not intend to embark on a legal discussion. Investigations into the use made of these stocks are carried out in accordance with Community rules, which the Commission is called on to administer under the supervision of this Parliament and its various committees. I utterly agree with what has been said regarding the need to persist in our efforts to control and combat all kinds of fraud involving public funds and I should like to draw attention to the excellent results achieved from the special on-the-spot investigations and also, of course, from the work of the Special Committee of Inquiry.

I also think it necessary to establish coordination with the national authorities so that a greater share of the responsibility for the way in which the funds are used devolves on them. They must publicise more information through the Commission, for the Parliament too. The national governments are responsible, after all, for supervision and for the actual paying out of the money, and it is very important to coordinate these operations with the other Community institutions. In this field, too, the Commission will do its best to achieve better results than have been possible up to now.

IN THE CHAIR: MRS DE MARCH

*Vice-President*

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — (NL) Madam President, I have only five minutes, which will enable me to make no more than a few comments. Mr Coppieters, who has now left the Chamber, made it sound as if we did not discover certain things until two years later — perhaps because we put our control activities on public show only once a year, in connection with the report of the Court of Auditors. But this is a serious misunderstanding. Every quarter the Commission produces a review of the year's financial policy, that is of money spent to date, and if in the meantime we want further informa-

tion, we get that too. It is a serious misunderstanding to say that only once a year is there a public debate for us to show the world what we are doing. Throughout the year there are very frequent meetings, always attended by a member of the Court of Auditors. I do not know what country offers a control committee of this kind as many opportunities for performing its control function or where the executive is as cooperative as the Commission is with the European Parliament's Committee on Budgetary Control.

This is not to say that everything is satisfactory. There are enough criticisms. But the Commission, which used to be very bureaucratic in its work, usually to suit the national officials of the Council, is now in the process of assuming a position where its responsibility is more political. That must also be evident from its proposals. We do not always find it so easy, Mr Commissioner, to read the proposals you draw up for the Council officials. You are dealing with parliamentarians. But we realize that this process of change is taking place. This will take some years, but there has been some visible progress.

I should like to say once again that the existence of the Court of Auditors is largely due to the work of this Parliament. The Court of Auditors cooperates very closely with our Committee on Budgetary Control. But I hope that this body will grow into an independent institution. The close cooperation with Parliament or, to be precise, the Committee on Budgetary Control must not prevent the Court of Auditors from becoming an independent institution, as is already the case in the Member States.

I cannot resist the temptation of saying a few words on something about which a great deal has been said today, the familiar criticism that the Commission spends nothing like the amounts that have been entered in the budget as a result of Parliament's amendments. I am grateful to the rapporteur for many things, but above all for the fact that he has again raised the question of the 'magic formula'. He is doing what was being done a few years ago. And now Commissioner Tugendhat says, yes, even if we have a 'magic formula', it does not mean the money can automatically be spent. We have to have a regulation on the subject. But that is, of course, the very idea.

I completely agree with Commissioner Tugendhat, and I have already told him on more than one occasion that there are items in the budget where the remarks do not provide sufficient grounds for the money to be spent. Then a regulation is needed. But unlike the Commissioner, I do not believe that a regulation is needed for most of them. We have not usually taken the time in the Committee on Budgets to go through the budget item by item to see where the remarks do and where they do not provide an adequate legal basis. Under the strict régime of chairman Lange — and he has to be strict — we have only



## Notenboom

one minute for each item. And that is why I endorse what Mr Aigner, chairman of the Committee on Budgetary Control said: we must cooperate with the committees responsible for specific areas. They must decide whether items are worth the 'magic formula', and if they say so, it must be possible for the amounts entered under that item to be spent during the year without any further decision being taken by the Council. We must agree on this procedure. And if the Commission does not abide by this, it will, of course, have a great deal of trouble with Parliament.

The last point I should like to say something about, Mr President, is resources. I have the feeling that a lot can still be done in this field. Mr Gundelach has just talked about cooperation with the national authorities, but legislation is not yet coordinated. Customs legislation in the Member States is not yet identical. What happens, for example, when a Member State abolishes certain import duties? It may have a reason for doing so. Does that Member State then pay the Community money it has received from all its tax-payers, or does the Community have to do without? All these things, which I know from work at national level, have yet to be harmonized. And the same is true of the fight against fraud.

When we of the Committee on Budgetary Control were trying to discover where money had not been spent, we chanced upon a course for tax and agricultural officials from different countries, the aim of which was to allow them to get to know each other's work better and so improve controls. This course was not held, and that is a great pity. Perhaps it has been held in the meantime, but it does represent an important means of combating fraud. The customs officials and the agricultural officials get to know each other's methods and the officials of both authorities from the various Member States get to know each other's methods. This is still not always and not everywhere the case, as I know from personal experience. And although work is being done on this, I would ask the Commission to make a particular effort in this respect. Only this evening we were talking about the toleration of fraud — I am referring to Mr Dankert. In some countries there is no fraud, in others there is, but that is fraud that is detected.

But that is not the whole story. That is only the fraud that is detected. If we could detect the rest of it, we could manage on our own resources for a year or two or even longer. We should therefore bear in mind that there are many ways of slipping through the net, and that is why we must exercise these controls.

To conclude, I should like to say that I do not agree with the solution suggested in paragraph 51, and I would ask the rapporteur to reconsider the wording. Paragraph 51 calls on the Committee on Budgetary Control to organize a meeting of representatives of the

national audit bodies, national administrations and the Court of Auditors to study the difficulties as regards fraud and to suggest remedies. Mr Patterson referred to a handbook, which I have also read. It is a book about how to combat fraud, but it also advertises ways of committing fraud if it gets into the wrong hands. I have asked questions about this, but the answers I received were not satisfactory. But a public meeting like that suggested would have the same effect as that handbook has had. I feel that the Committee on Budgetary Control should be able to come up with something, and if that is what the rapporteur means, I will agree to that. This should also entail those courses being started again, but that is something for the Commission to decide. It is not Parliament's job to instruct its officials and to compare and improve methods of combating fraud. That is something for the Commission and the Member States to do. If the machinery comes to a halt, we can start it up again, but no more than that. I thank the rapporteur for his report and I shall, of course, be voting for it.

*(Applause)*

**President.** — I call Mr Früh.

**Mr Früh.** — *(D)* Madam President, ladies and gentlemen, it is, of course, tempting to talk about what Mr Gundelach had to say, but at this late hour you will no doubt quite understand if I refrain from doing so and concentrate, now that Mr Aigner and Mr Notenboom have dealt with the fundamentals, on one particular aspect, this being the task of moving the amendments that have been tabled by my group to Mr Battersby's report on the Seventh and Eighth Financial Reports on the European Agricultural Guidance and Guarantee Fund, Guarantee Section. I am pleased to see that our suggestions have the support of the Liberal and Democratic Group and the Group of European Progressive Democrats. I will keep it brief because — I hope — our amendments are self-explanatory. Talks with the rapporteur have already revealed that he accepts some of them. And Mr Battersby understands very well that we are not criticizing his work, but that we are very concerned about this common policy, which — as they say — is costing us so much money. The least we are trying to do is to place this policy in a general context, so that it does not go on getting the beating that it does not really deserve. That is why we have tabled an amendment seeking to delete the second indent. There is every justification for this, because we want to explain the third indent with our third amendment. I feel that if we look at things quite objectively and intend to arrive at a proper assessment of the agricultural policy at long last, it should be possible for us to get away from that overall judgement according to which the agricultural policy eats up 70 % of all expenditure and so prevents the development of other policies. Then it would be possible to state very clearly what expenditure is charged to that agricultural policy and to explain that it also brings in

**Früh**

revenue. When it is all counted up very carefully, it comes to 40 % of the costs, and it would be much fairer and clearer to use this figure in the argument.

Of course, we are concerned about the costs which the tax-payers in the Community have to bear, but I know of no policy at either European or national level that is effective and costs nothing, a policy that is a gift to the tax-payer. That is why we wanted to see the reference to this removed from the seventh indent, while of course, agreeing that fraud is harmful to the agricultural policy. So much has already been said this evening about fraud, and I would have liked to hear some of the speakers say what these cases of fraud amount to in terms of total expenditure, so that things are not always blown up out of all proportion. I realize that this is the kind of thing the press in some Member States welcome. I remember what the former Commissioner responsible for agriculture, Mr Lardinois, once said. He had been the chairman or the head of an agency in a very well-organized country and he knew full well that more cases of tax evasion were being examined in that country than in so huge an area as the European Community, which has so few staff to take up cases of fraud. We should see things a little more in perspective, then they would not look so bad. That is why I think our amendment serves a useful purpose, and I would welcome it if the House adopted it.

As regards paragraph 6, all I need say is that the addition we propose is in fact completely in line with the agricultural policy that we all support. What is important is not only, as paragraph 6 puts it, a cautious price and intervention policy, but that this policy should also — as it says in the amendment — safeguard farmers' incomes to some extent and that — and this is the crux of the matter — the aim should be to strike a balance in the agricultural markets. That is why I feel this amendment should also be adopted.

Those are the most important amendments we have tabled. Mr Battersby, the rapporteur, whom I thank for his excellent work, will undoubtedly not consider this criticism unjustified. I have already discussed these matters with him. I hope that with the support of the other two groups our amendments will be adopted tomorrow.

Thank you for your patience at this late hour.

*(Applause)*

**President.** — I call Mr Kellett-Bowman.

**Mr Kellett-Bowman.** — Madam President, Parliament's right to grant discharge is within the Treaty, but this right is only useful to Parliament if we operate it efficiently and exercise it diligently. This 1978 discharge is being steered through by Mr Battersby — he has been efficiency and diligence personified. In his speech he thanked everybody for the help they have

given him in his task. But I would like to say that Parliament, and indeed the Community, owe him a large vote of thanks.

*(Applause)*

Now I welcome the dialogue with the Commission. At times this evening the dialogue has almost gone back to its original meaning of just two people talking to each other. I hope that the Commissioners will not think there is any disrespect in the small attendance. Mr Tugendhat has given a vigorous defence of his position and Mr Cheysson has spoken well in support of Mr Tugendhat. I am not too sure about Mr Gundelach. I think he confused me with facts. But I welcome Mr Tugendhat's remarks about the Joint Research Centre and we shall look forward to having further information from him.

Meanwhile the Committee on Budgetary Control will, I hope, be paying a visit to Ispra in the very near future.

Now discharge is being granted, but the draft motion for a resolution carries many qualifications. But, Mr President, all these are backed up by the report of the Court of Auditors, to whom we owe more thanks. We maintain that the discharge procedure is complementary to that of setting the budget. And our position as joint authority on the budget, if Parliament's wishes are not carried out, is of very, very little value.

This report is mainly about the distortion of Parliament's will. If we look at paragraph 18 of Mr Battersby's report, we find that 31 % of the expenditure in 1978 was subject to transfer. The trend of movements of cash covered by these transfers is one-way. One way, Mr President, one way towards paying for the open-ended agricultural policies imposed on the Community by the go-it-alone Council of Ministers.

The mirror image of this position can be found in paragraph 10 of Mr Battersby's report, where we see that 81 % of the appropriations covered by Parliament's amendments were not spent. The Commissioner's remarks about underspending on Parliament's amendments frankly were merely semantic. He said that authority to spend is not an obligation to spend. Of course, Mr President, we are delighted if he saves on the housekeeping, but if Parliament's spending policies are not carried through, then we are not delighted.

He said also that the budget was more an expression of policy than an order to spend. It is not that at all. It is an expression of Parliament's political will. And as for his analogy about skimming the cream, we have to remind him that the draft budget comes to us, and if we are worried about a volume of expenditure, we apply amendments. Those amendments are to increase the volume and increase the spending. We expect those funds to be spent.

**Kellett-Bowman**

We have, Mr President, a rather absurd situation if we look at it closely. Look at the trends. Parliament's wish to contain that cuckoo in the nest which is agricultural spending appears to be ignored. Parliament's wishes to spend money on highly desirable activities for the Community's development are also ignored. On the face of it, the Commission could be said to be usurping Parliament's budgetary powers. In fact one cynic has said 'give us the money and we will do as we please'.

The Commissioners responsible for this serious position often blame the Council of Ministers. We, as a Parliament, must maintain the wording and the spirit of Article 205. Because we must remember that the budget is approved by the Council as well as by ourselves. Therefore it cannot always be argued that it is necessary to go back on budgetary expenditure to the Council for further permission.

The further distortion — I stressed that this report is about distortion — is here: Mr Colla reminded us that two thousand million units of account have been involved in the carryover position. Now my part in this discharge, working under Mr Battersby, has been to inquire into the Community's satellites and decentralized bodies. These are listed under Chapter 12 of the appropriate annex. But I think I should tell the House the spirit in which we look into the activities of satellites, of decentralized bodies, the spirit in which we look at all the expenditure of the Commission.

We ask ourselves whether expenditures has been incurred as intended by the Budgetary Authority, whether there have been irregular procedures and infringements of proper accounting methods, and if so, how they can be set right. We also ask if there is evidence of inefficiency, extravagance of waste in the use of Community funds and, after that, whether management standards and results are satisfactory, whether cost-effectiveness or similar techniques have been applied, and with what results. Have zero-based budgeting techniques been applied?

In all this work, as I have said, we are helped by the Court of Auditors, because we believe, Mr President, that this is the way to control the Community's expenses. And by exercising our right in the discharge, we reinforce our budgetary authority.

*(Applause)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, I understand that Mr Battersby has waived his right to reply, and therefore it would be inappropriate for me to give a long answer at this stage, quite apart from the fact that it would hold up other business in the House. I would just like to say three things: first of all I hold very strongly to the positions which I took in my opening speech, and

which have since come under a certain amount of criticism, most recently from Mr Kellett-Bowman. I would ask Parliament not to undersell itself. I think it is in danger of underselling itself in two respects. First of all, by not paying attention to commitments and concentrating only on payments, although payments are of course derived from commitments and cannot take place without them. I think that if one looks at commitments, which are the central feature of the budget, one can see the very substantial extent of which money has been committed.

Secondly, I think Parliament is in danger of underselling itself by presenting an argument which seems to suggest that it is only responsible for the additional 10 % or 20 %, or whatever it may be, of an appropriation. There may come a time when Parliament actually cuts appropriations put in by the Council. There may come a time when we put forward a proposal, the Council amends it and Parliament cuts it. On the thesis which we have just heard explained in this debate, a cut in the draft budget proposal would suggest that Parliament was not responsible for anything at all, and that would really be a quite absurd situation. When an appropriation is entered in the budget, it is the joint responsibility of the two arms of the budgetary authority, and I really think that Parliament must think of itself as 50 % of the budgetary authority, and not less than 50 % of the budgetary authority.

Mr Coppieters, who is not here at the moment, made a point about what he regarded as the scandalous fact that Parliament was only able to look at a budget some years after it was spent. I would have felt obliged to answer him in some detail, but Mr Notenboom answered him most effectively for me. The fact is that the Commission publishes a three-monthly report on the implementation of the budget of the current year, and has always provided the Control Sub-Committee in the past, and the Control Committee now, with all the information it requests on matters of a current nature.

Finally, I would say to Mr Aigner that my recollection of the energy points to which he referred with some force in his speech is different from his. I do not accept the version he put forward. Rather than meet him point by point now, in which case he would either feel obliged to answer me or would feel that I have done him an injustice by making my points when he could not answer me, I think the best thing would be for me to write to him, taking up the points made in his speech. I hope we will be able to resolve the matter that way.

Finally, Madam President, may I repeat what I said at the beginning, that we congratulate all those Members who have had a part in this exercise, though we disagree with some aspects of it. Although I have spoken forcefully on those matters with which we disagree, this is an important and useful exercise. I feel that both of us, Parliament and the Commission, are engaged in an attempt to improve the budgetary procedures. We have listened to the advice as well as the criticism, and

**Tugendhat**

I hope that even when we disagree we will be able jointly to improve on the system for the good of the Community as a whole.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (*D*) Madam President, to wind up the debate, I would simply like to put one request to the Commission. We are recommending to Parliament that it grant the discharge tomorrow, and we have tabled a motion for a resolution containing a total of 69 paragraphs. The controls are, of course, worthwhile only if we check in the autumn whether these instructions have been obeyed. We shall therefore be drawing up our own report in the autumn. What I should like to ask the Commissioner responsible for financial matters to do is to tell us at the next or next but one meeting of the Committee on Budgetary Control which of the items that have been mentioned here can be tackled straightaway and which must be discussed in the medium or the longer term, so that we can include these items in the discussion on the discharge next year. To exclude grounds for conflict, the Commission should tell us in good time where it thinks it will have to overcome the more obstinate difficulties first.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — I simply wish to say, Madam President, that I certainly wish to respond positively to Mr Aigner's request. I am advised that the time he suggested would really cause us great difficulty. May I suggest that, having accepted the principle, he and I could talk about the time that it would actually take to meet those requirements in view of the fact that our staff is, as he realizes, rather fully occupied with the unique situation of the provisional twelfths.

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

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

### 17. Membership of Committees

**President.** — I have received from the Group of the European People's Party (Christian-Democratic Group) a request for the appointment of Mr d'Ormeson as member of the Committee on Budgetary Control, to replace Mr Pflimlin.

Are there any objections?

This appointment is ratified.

### 18. Urgent procedure

**President.** — I have received the following two motions for resolutions, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure:

— by Mr Ceravolo and others, on a Community agency to monitor a labour market (Doc. 1-203/70)

— by Mr Bonaccini and others, on the initiatives to overcome the serious situation which has arisen in the Po Basin and on the action to protect the hydrographic, river and lake basins of the Community (Doc. 1-204/80).

The reasons supporting these requests for urgent debate are contained in the documents themselves.

Parliament will be consulted on these requests at the beginning of tomorrow's sitting.

### 19. Eighth financial report on the EAGGF (Guidance Section)

**President.** — The next item is the report drawn up by Mr Filippi, on behalf of the Committee on Budgetary Control on the Eighth Financial Report on the European Agricultural Guidance and Guarantee Fund — 1978 — Guidance Section (Doc. 1-137/80).

**Mr Filippi, rapporteur.** — (*I*) Madam Vice-President, honourable Members, this year, for the first time, the Committee on Budgetary Control asked for authorization to draw up its own report on the Eighth financial report on the EAGGF — Guidance Section for the 1980 financial year.

The reason for this request was the desire to give specific treatment to an aspect of Community policies closely connected with restoring the socio-economic and regional balance which is one of the Commission's tasks within the Community.

To my great surprise, I read in the Italian press that according to an eminent Member of this Assembly, our Parliament would only deal with matters of secondary importance, such as fish or sheep, and would eventually lose its way in a deluge of paperwork. Leaving aside the political role which this Assembly can and does assume in Europe and the world, the motion for a resolution which I have the honour of speaking to wishes also to give tangible proof of how, through the work of the European Members of Parliament and the parliamentary committees, our institution intends to participate in and encourage the work of all the organs of the European Communities and the national authorities, in order to ensure that the measures undertaken are brought to a successful conclusion.

## Filippi

We must, unfortunately, recognize, Madam Vice-President, that — at least in 1978 — this result was not obtained in respect of agricultural structures, where only 52 % of the available commitment appropriations were used, and it was only possible to distribute 26 % of the budget payment appropriations to recipients. This means, in other words, that of the approximately 1 250 000 000 units of account available, in 1978 the Commission only succeeded in spending 324 000 000 u.a. which moreover were badly distributed between the Member States. Almost 40 % of the payments made were to Germany, whose development is second to none in the Community, while Italy and Ireland, to give two examples which seem significant to me, received respectively 9.6 and 5.1 %. No one can doubt the expectation and need for a fresh impulse, reorganization and modernization, including in agriculture, in these two countries which contain some of the poorest regions in our Community. The failure to make use of all the finance available is a problem common to the three funds set up to deal with the specific problems of underdevelopment and the restoration of the regional balance, which have a particular importance and significance for agriculture especially because a varied and more efficient use of farms will make it possible to contain the expenditure which has arisen up to now from support for farm prices. This will be possible if only because if farms are made more efficient this Parliament will be able to propose, and the Ministers of Agriculture will be able to decide on, price increases for agricultural products which no longer have to take account of the need to ensure the survival of uncompetitive farms which at present exist with difficulty on the periphery of the system. In this light, the figures previously cited should be considered not only unsatisfactory as such but politically incompatible with the very aims of the EAGGF — Guidance Section. It should be deduced from this that the Committee on Budgetary Control did not have sufficient reasons to be able to give a positive opinion on the use of the Fund. However, in spite of this very serious shortcoming which shows that the Commission must strive harder to correct a situation which the Parliament will not be able to tolerate in the long term, our Committee, even though with many reservations, considered that it should propose that this Assembly should grant a discharge for this Fund for 1978.

There are three reasons for this proposal. First of all, we must realize that a heavy responsibility falls on the Member States who do not make applications for aid or who make applications late, and it is a matter of urgency to encourage the various governments to behave more incisively and effectively on this matter. Secondly, the Commission, from the first half of this year, has made provision for a series of programmes in different sectors which will guarantee that aid from the Fund is granted on the basis of genuine economic criteria. It is to be hoped that, at the same time, this will enable a solution to be found which will allow projects to be chosen which can be implemented rapidly, and this will help to remedy the lack of

payments already indicated. Thirdly, it is perhaps appropriate to wait for the financial report for 1979 in order to assess the impact of provisions intended to rationalize and harmonize applications for funds. That will be the moment to assess the improvements made, among other things, in respect of payments in advance after approval of the relevant programmes by the Commission.

Unfortunately, the serious problem of controls still remains, and this is serious because we are dealing with a sector which by nature offers many opportunities for fraud. This evening, during this debate, we have been given what we might call a kind of anthology, a range of titles of what might be all the possible and imaginable kinds of fraud. Our colleagues Mr Patterson, Mr Notenboom and Mr Früh have all spoken about them. While recognizing that the most important monitoring of the projects implemented should be carried out by the national authorities, it is necessary to say, however regretfully, that not only the Commission but also the Court of Auditors have shown themselves deficient in ways which must be corrected as quickly as possible. I am aware, Madam Vice-President and honourable Members, that what I am saying this evening strikes perhaps a discordant note among the praises and compliments which many have heaped on the Court of Auditors.

My observation is confirmed by the fact that, if the Commission has carried out only eleven on-the-spot controls of individual projects, special measures and joint measures — which is very little indeed if we consider that the Commission departments received 1 559 claims for payment just for individual projects in 1978 and considered 1 338 of them during the financial year — the Court of Auditors, which is the highest authority for outside control, did not carry out any on-the-spot controls.

It is obviously not my intention to question the capabilities of the officials of the Court of Auditors. I am saying this because the institution of the Court of Auditors has shown that it has not lived up to the expectations of Parliament in this sector. The Court of Auditors has confined itself to considering files and documents obtained from the Commission on paper, and therefore its contribution has been very small indeed and has not been in accordance with its aims as an institution.

There should be — and I am rapidly drawing to a close, Madam Vice-President — a separate discussion of the excellent opinion of the Committee on Agriculture which, for technical reasons, could not be included in the motion for a resolution, but which we have added as an annex to our explanatory statement. There are significant points of contact between this opinion and the document I drew up which was approved by the Commission on which I serve, such, for example, as the reference to the failure to reduce inequalities within the Community and the fact that Community aid ends up paradoxically by being

**Filippi**

concentrated in the countries where agriculture is most prosperous, as well as the reference to the shortcomings of national administrative structures, which makes the rapid use of Community funds impossible. I think that the debate on the discharge is not the most appropriate place to carry out the necessary and fundamental examination of the common agricultural policy for the 1980s, which, however, requires a new preparation, a new commitment and a new awareness of the objectives we intend to pursue.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Madam President, I shall be very concise. It is quite clear — and here I fully agree with Mr Filippi, whom I wish to thank for his report — that structural policy is an increasingly vital factor in the common agricultural policy. It has evolved considerably over the last few years, but there is still a long way to go. A number of proposals, the so-called Mediterranean package, new proposals, have been implemented, others are lying on the Council's table, some are being implemented, yet others will be implemented shortly. In developing this policy we must seek solutions to the problems where they exist rather than general solutions which fail to take sufficient account of the fact that we have different standards of living in the farming community in Europe. A substantial degree of convergence must be aimed at and can be achieved only if we employ a more differentiated approach. That is what we are endeavouring to do and I believe that is already an improvement.

I, too, like the rapporteur, regret the fact that the funds which are available are not utilized adequately, nor quickly enough, either because the decisions are adopted too late in the Council or because of technical difficulties in implementing the various measures in the Member States. The Commission views this failure very seriously and is seeking to redress it by a number of measures. We must get quicker decisions in the Council and find a better and faster method of payment in the Member States to ensure faster and fuller implementation of the systems. It might include making advance payments, subject to suitable control measures, to help expedite this work. The Commission has achieved political and administrative results in these fields the benefits of which, I am sure, will be felt in 1980 and 1981.

As regards management, the Commission has got the Council to agree to the introduction, as I said, of various arrangements for making advance payments, which will do a great deal to speed up this work. The effectiveness of control measures is of fundamental importance in this field, as in the guarantee sector. There have not been enough on-the-spot checks. When it comes to remedying this deficiency I am, however, bound to point out that the number of staff available to us is not adequate to enable us to carry out

the necessary checks in either sector of the common agricultural policy.

But perhaps the situation in regard to the development sector is somewhat less serious than it may appear, since, apart from on-the-spot checks, the Commission's services do carry out a systematic review on the basis of documents. That is something, but I agree with the speakers that it is not enough. In addition, expenditure is naturally certified by the Member States themselves. That must also be brought into the overall picture and better cooperation must be achieved. To sum up, the Commission takes note of the European Parliament's motion for a resolution, which urges it to continue to develop the agricultural structural policy along the lines we are trying to lay down and to increase its effectiveness.

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

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

*20. Discharge to the Administrative Board  
of the European Foundation for the  
Improvement of Living and Working  
Conditions*

**President.** — The next item is the report drawn up by Mr Kellett-Bowman, on behalf of the Committee on Budgetary Control on the

discharge to be granted to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions on the implementation of its budget for the 1976, 1977 and 1978 financial years and the comments accompanying this decision. (Doc. 1-726/79).

I call Mr Kellett-Bowman.

**Mr Kellett-Bowman, rapporteur.** — Madam President, I apologize for speaking to the House yet again this evening, but if I say that this is only the fourth time I have addressed the House maybe you will forgive me. I feel, however, that this Foundation in Dublin merits some comment when we are putting though the discharge of three financial years. It might interest Members if I explain briefly how the Committee on Budgetary Control went about looking at what is a much smaller body than we have been discussing under the Battersby report. We studied auditors' reports from several years and reports of previous inspection visits to Dublin, notably one by Mr Aigner himself; we sent a questionnaire covering aspects of the Foundation's work which had caused doubt in Brussels and here as well and had caused us to withhold discharge for previous years. Armed with these answers Mr Ryan and I visited Dublin. This provided an opportunity not only to see for ourselves but also to

**Kellett-Bowman**

question the staff further, and I would like to thank Mr Ryan for all his help.

In short, we carried out a political audit and the outcome of our enquiries led me to recommend that discharge for the three years 76, 77 and 78 should be given. The recommendations of the Committee on Budgetary Control are contained in the draft motion for a resolution. I would draw attention to some of those items which have a much wider application. I am asking the House to adopt the report and to grant discharge to the Foundation for those three years.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, I am afraid you are listening to the same people several times during the course of the evening. Perhaps the House will forgive me if I once again put things on the record because, as I explained earlier, these are important questions and I think that if the Commission's answers are not given — even though it is very late at night — there could well be a misunderstanding at some future time. Let me start with point 3 of the proposal for a decision giving discharge and point 1 of the proposal for a resolution asking the Commission to present a written report by 1 July on the measures taken in the light of the contents appearing in the decision giving discharge. In view of the short amount of time left to prepare such a report, I should be obliged if, in accordance with the second paragraph of Article 74 of the financial provisions applying to the Foundation, you would make a similar request directly to the Foundation's administrative board as regards the recommendations which directly concern it.

Turning to the points relating more specifically to the Commission, I should like to address myself first of all to the matter of the actual decision giving the discharge. Here let me say that I agree entirely with Mr Kellett-Bowman. The Commission is at present preparing a proposal to amend the regulations in question and the concern expressed about the responsibility for the decision giving discharge will be taken into account fully.

As far as the authorization of transfers of appropriations between chapters is concerned, however, I regret that I cannot accept Mr Kellett-Bowman's proposal. The present system was approved by the European Parliament on 6 April 1976 and in so doing Parliament approved the Commission's efforts to maintain the unity of the financial regulation. The Foundation's subsidy is entered in a single article of the general budget — Article 359 — and the 'financial' regulation for the general budget makes provision for a decision by the European Parliament only in the case of transfers of appropriations between chapters of the general budget. Mr Kellett-Bowman's proposal calls into question the unity of the 'financial' regulation.

His proposal would, if implemented, restrict the Commission's right to decide as to the final allocation of appropriations entered in a chapter of the general budget and would therefore affect the Commission's responsibility for implementing the general budget.

In the context of the procedure for the general discharge, Parliament urging the Commission steadfastly to defend this responsibility *vis-à-vis* the Council. It would therefore be regrettable and indeed unacceptable for Parliament to take the opposite view when it itself is concerned.

I should like to make an observation. Now that the administration of the Foundation has been run in, as it were, the amount of transfers to be decided on between chapters of its statement of revenue and expenditure is diminishing. In 1979 total transfers of this kind amounted to only 37 000 European units of account. The tremendous amount of work that would be involved in translating and circulating the Foundation's transfer applications if Mr Kellett-Bowman's proposal were implemented seems to me out of all proportion to the resulting benefits.

I should now like to consider very briefly the other problems raised by Mr Kellett-Bowman. The Commission has forwarded to the Council of Ministers proposals to reform the social welfare arrangements now applying to foundation staff, in particular in relation to Article 38 of the Council Regulation. The Commission is endeavouring to speed up the Council's work on this matter, but it has to be said that things are proceeding very slowly at present. The Commission will ask the Council to examine the question of social welfare as a matter of priority.

Turning to the question of recruitment, the foundation's staff regulations, which were adopted by the Council of Ministers, provide for specific recruitment procedures which differ from the provisions of the Staff Regulations of Officials of the Commission of the European Communities. The Commission takes the view that staff recruitment should be in accordance with special rules since the staff in question are working for bodies which are managed by a tripartite administrative board and are not the responsibility of the Community institutions alone. If the European Parliament's resolution were to be implemented on this point, it would be tantamount to turning the Foundation staff into Commission officials. This would bring about a fundamental change in the nature of the Foundation and the way in which it operates; it would become, in effect, an offshoot of a Commission Directorate-General.

Consequently, the Commission is not proposing a change of the Staff Regulations in this respect. The Commission endorses the proposal made in point 12. The Foundation representatives should be invited to attend meetings of the parliamentary committee. It is quite normal that the Foundation's director should be

**Tugendhat**

in a position to give Members of Parliament explanations concerning the work programme.

I should like to conclude by making a slight correction to the rapporteur's explanatory statement. Points 3 and 4 state that the main tasks of the Foundation are to study and develop measures for the improvement of living and working conditions. I would remind Parliament that policy formulation in relation to living and working conditions and the preparation of instruments and measures to help improve them come under the powers of initiative of the Commission alone, and that appropriate proposals have to be made to the Community authorities. I regret, Madam President, that I have not been able to accept all the proposals put forward by Mr Kellett-Bowman. I hope that the House will bear with me in the explanation I have given of our reasons.

**President.** — I call Mr Kellett-Bowman.

**Mr Kellett-Bowman.** — Madam President, in my haste I neglected to inform the House that it is my intention to move that the date for that report be changed to 1 November. The gestation period in getting this report before Parliament was longer than expected.

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

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

### 21. *Administrative expenditure of Parliament in 1979*

**President.** — The next item is the interim report drawn up by Mr Simonnet, on behalf of the Committee on Budgetary Control

on the administrative expenditure of the European Parliament for the period 1 January to 31 December 1979 (financial year 1979) (Doc. 1-70/80).

**President.** — I call Mr Simonnet.

**Mr Simonnet, rapporteur.** — (F) Madam President, ladies and gentlemen, the report I have the honour to present to you for your approval on behalf of the Committee on Budgetary Control is only an interim report and therefore limited. We shall be submitting to you a final and complete report when the Court of Auditors has forwarded its conclusions to us.

This report concerns the European Parliament's expenditure in 1979. The Commission in Brussels cannot draw up the overall financial accounts of the

Communities for 1979 until Parliament has approved its own accounts. We shall be making our comments in the final report, but we would like to point out that this financial year has been characterized by considerable imbalance between appropriations requested and appropriations spent. It was not easy to make accurate estimates of the expenditure of a Parliament whose staff doubled during 1979, and in the future we should make sure the estimates we make of expenditure are as accurate as possible. With these reservations, your Committee on Budgetary Control asks you to approve the conclusions drawn in this interim report.

**President.** — I call Mr Taylor, on behalf of the European Democratic Group.

**Mr J. M. Taylor.** — Madam President, this control activity is at last becoming a reality and, Madam President, it needs to. Over the last few years we have had the emergence of a fully fledged Court of Auditors and indeed a separate Control Committee with its own identity. Next year and in subsequent years the elected Parliament will have the opportunity to discharge the control function over budgets which it has actually thought into being itself, and that will be a further advance.

One of the things that worries many of us very much about the financial performance of the institutions of the Community is the enormous difference that exists so often between the sums actually budgeted and the sums actually spent. In 1979 we had enormous overspending resulting in no less than three supplementary budgets and we also had the underspending highlighted by Mr Simonnet. In paragraph 5 of his motion for a resolution, for example, on page 6 of the English version he notes that some of the provisional appropriations entered in the budget were substantially higher than the actual needs. On page 9 he gives an illustration under item 1221 where there was a total resource availability of 1 199 000 units of account, of which 923 million were subsequently cancelled. These figures revealed a very high order of inaccuracy indeed, and one of the things that many of us would like to know — I certainly do not expect an answer tonight, but if the Commission could perhaps let me have a written reply at some stage it would be much appreciated — is how the performance of the Community compares with the domestic budget performances of Member States in the matter of hitting the target on budget forecasts, or failing to do so.

Madam President, at this late hour it is sufficient to say that this report by Mr Simonnet highlights once again the glaring need for discipline in the Community's budgetary affairs. That applies equally at the moment to the system of the one-twelfths, but that would be trespassing on another subject. I am content this evening to congratulate Mr Simonnet on his interim report and to wish the Committee on Budget-



**Taylor**

ary Control well in its task of getting to grips with what is really a very serious problem indeed.

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

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

*22. Carry-overs of appropriations from 1979 to 1980 — Supplementary provisional twelfth*

**President.** — The next item is the joint debate on the — report by Mr Dankert, drawn up on behalf of the Committee on Budgets on the list of requests for carry-overs of appropriations from the 1979 financial year to the 1980 financial year (non-automatic carry-overs) (Doc. 1-131/80)

— report by Mr Dankert (Doc. 1-197/80), drawn up on behalf of the Committee on Budgets, in application of Article 204 of the EEC Treaty and Article 8 of the Financial Regulation authorizing supplementary provisional twelfths for Section III — Commission — of the general budget of the European Communities (Doc. 1-151/80 and Doc. 1-168/80).

I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, I take the floor to speak on two reports and I will start with the easier one, the one concerning further provisional twelfths for urgent aid to Cambodia, which the Committee on Budgets has tied up with a request for aid to Zimbabwe.

We agreed, of course, that it was essential and a matter of urgency to grant the Commission's request. We only regret that after that was decided on urgent aid for Afghanistan, the Commission has again come forward with proposals for a transfer between chapters. It remains the firm conviction of the Committee on Budgets that it is impossible, in the absence of a budget, to have transfers between chapters. As in the case of urgent aid for Afghanistan, so too the problem of urgent aid can be solved within a chapter even if, perhaps, this raises some questions. It is perfectly feasible to deal with the problem within Chapter 92 instead of transferring from Chapter 92 to Chapter 95.

Madam President, in agreeing to the Commission's request we intend to grant only one additional provisional twelfth of the appropriations entered under Chapter 92 for the 1979 financial year. The total amount of that extra provisional twelfth does not quite meet the requirements of the Commission, but I think that because of the level of underspending usual under Chapter 92, the Commission will have no difficulty in finding the money necessary within that chapter. I

think there is agreement between Parliament and the Commission on that point.

Madam President, I now come to a more difficult problem. The Committee on Budgets yesterday decided to propose that you request Commission and Council to withdraw the proposed list for carryover of appropriations from the 1979 to the 1980 financial year. This concerns non-automatic carryovers on which Parliament delivers its opinion.

Madam President, one of the reasons we did this, and the reason we wanted the Commission to be asked to come forward, after re-examination, with new proposals was that there was insufficient time.

That is one of the problems of operating without a budget. There was insufficient time to have thorough discussions on which proposals to grant and which proposals to refuse.

In the meantime — and I think this is a direct consequence of the discussion in the Committee on Budgets, Mr Adonino has proposed an amendment which reads: 'Instructs its Committee on Budgets to examine this list with the Commission and to forward its opinion to the Council before 31 May 1980'. This amendment means that Mr Adonino proposes to remain within the time limits imposed by the actual demand.

Madam President, it is something of an innovation in our procedure to delegate the opinion to the Committee on Budgets. But I would ask Parliament for very practical reasons to adopt the Adonino amendment so that next week the Committee on Budgets can have a more thorough look at the problem and perhaps obtain more convincing information from the Commission. I would like you, therefore, to accept this Adonino amendment tomorrow. But it creates a precedent in the sense that it delegates Parliament's powers to a committee.

**President.** — I call Mr Taylor.

**Mr J. M. Taylor.** — Madam President, I agree with Mr Dankert.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, I cannot be quite as brief as Mr Taylor but very nearly so. First: Zimbabwe and Cambodia. We agree on the basic point of providing help. It is now a matter of trying to find the right procedural solutions. We will certainly attempt to achieve the common objective of granting extensive Community aid as quickly as possible, taking into account the opinions expressed by the Budgetary Authority. As for the carryovers, I can be a great deal briefer than I had supposed. The Adonino amendment

**Tugendhat**

seems to us a reasonable compromise and we can talk further, I hope, on that basis.

That is the last word I have to say tonight, Madam President.

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

The motions for resolutions will be put to the vote at the next voting time.

### 23. Directive on liability for defective products

**President.** — The next item is the oral question with debate from the Legal Affairs Committee to the Commission:

Subject: Directive on liability for defective products

On 1 October 1979 the Commission submitted to the Council an amended proposal for a directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products (OJ C 271, 26. 10. 1979).

Although this directive incorporates certain points of the opinion delivered by the European Parliament on 21 April 1979 (OJ C 127, 21. 5. 1979) it fails to include the fundamental provision adopted by our Parliament on the exclusion of the producer's liability in respect of development risks.

In the debate of 26 April 1979 the Commission

- recognized a 'general acceptance' (i.e. by the European Parliament and the Commission) 'that individual preferences would have to be subordinated to a precise and specific first step affecting a large number of people';
- considered that on the question of development risks, 'the right kind of policy is the one that is now enshrined in the Directive, in other words, where the onus is on the producer to prove that his product could not have been any different, bearing in mind the state of technology at that particular moment. For the time being, this can be regarded as a fair compromise';
- approved paragraph 2 of the European Parliament's resolution which reads as follows: 'requests the Commission to report to Parliament and the Council, five years after the entry into force — in implementation of Article 13 — of the national provisions necessary to comply with the Directive, on the advisability of transferring liability — wholly or in part, generally or in respect of certain risks only — from the producer to a guarantee fund, more particularly with a view to protecting consumers and producers against development risks.

In view of the above, how can the Commission explain the step, which conflicts with its declara-

tions to our Parliament, of reintroducing the liability of the producer in the event of development risks?

On what facts does it base its claim that development risks have no significant effects?

I call Mr Turner.

**Mr Turner.** — Madam President, I speak on behalf of the Legal Affairs Committee, which feels aggrieved about what has happened to this draft directive. Originally the committee voted to reject the directive *in toto* on the grounds that it was *ultra vires*. At that time it included strict liability for faults and also what is known as development risks. I will not go into the details because everybody who is interested knows exactly what I mean. The committee sent this recommendation to the part-session of Parliament where it stood. At that stage the Commission, through Commissioner Davignon, wrote to the President and stated that he intended to modify the proposal. Thereupon the Legal Affairs Committee asked to have the draft directive referred back to it for further consideration. This took place.

Mr Davignon, I understand, was present on most of those occasions and at those debates the principle of strict liability was confirmed by the committee, but the principle of development risks was removed by the committee. All this took place in the presence of Commissioner Davignon and his representatives and I think the committee was entitled to assume that they took place with his acquiescence.

This was fully confirmed, because when the Directive went before the plenary sitting on 26 April 1978 Mr Davignon said in the course of the debate: 'Finally, on the question of development risks, I should like to say that in this five-year interim period the right kind of policy is the one that is now enshrined in the Directive'. He then described what that was, and he concluded: 'For the time being I think this can be regarded as a fair compromise'. On the basis of that, Madam President, Parliament voted through the Directive, as amended by the committee, as a practical proposal.

If one looks at the debate which took place on that occasion the Socialist representative accepted that they should not put in any amendments on that occasion because, if they did, the Commission might refuse to accept the Directive. The European People's Party said that the long consultations with Mr Davignon had been worthwhile thanks to what he had done to bring about the result that was before them that day — i. e. the Directive in the form it then took.

The Liberals said that they accepted the proposal as a compromise and therefore supported it, and of course Mr Davignon himself had referred to it as a compromise.

Finally the President said that he would like to thank Mr Davignon for his very clear remarks. He said: you said you would not allow the Council to sit on this

**Turner**

draft directive but would make sure that they began discussing it very soon.

Now of course this directive was the directive as then amended by the Legal Affairs Committee and subsequently approved by Parliament that day or the next. Naturally, Madam President, Parliament assumed that if development risks were to be put back into the directive and became a live issue again, it would have further opportunity to consider the matter.

But on 26 September 1979 the Commission sent the Council a draft directive which did not include the defence of development risks. It justified itself on these grounds, it said in paragraph 2 under its comments on Article I: 'Moreover, information received from the European Committee of Insurers indicates that insurance cover for these risks is not likely to lead to appreciably greater costs of insurance than those payable following the introduction of liability irrespective of fault'. That, Madam President, was a reversal of all that had been considered in the committee and in the full House and was of course a reversal of the assumptions made when Parliament passed the directive in its previous form. If the Legal Affairs Committee or Parliament in their consideration of this draft directive had thought for one moment that development risks might be put back in, or rather that the defence would be removed from this directive, they would have required further investigation of the whole very difficult question of development risks. They might even, for all I know, have wanted further consideration of Article 100. Thus I am afraid they were lulled into a false sense of security by what was said in plenary session last time.

I do not think the committee objects for one moment on the Commission changing its mind. Many people do that. What they do object to is that after the change, they have not been given the opportunity to deal with the new situation, despite the fact that they had freely voted on the removal of development risks on the assumption that they would not be put back in. They might well have fought much harder and much longer. The question, Madam President, is what should we do now? Many members of the Legal Affairs Committee have substantive matters to raise. There are points about the experience gained in America and Germany, the question of doctors' prescriptions, drug research. Very recently, there has been this new model US uniform product — liability act of 1979. This represents new thinking on the matter since Parliament last had the chance of considering it.

I will not go into those matters. What I will say in conclusion is this: The committee will wish to study Mr Davignon's answer to find what facts he brings forward to justify his change of mind to study them in depth. They may wish to request the Council to consult Parliament again or they may wish to introduce an own-initiative report. Whatever they decide they specifically request that, while they are consider-

ing Mr Davignon's answer this evening in the subsequent meeting of the committee, the Commission will do all it can to ensure that discussions in the Council and with the Commission are held up until the committee, and subsequently Parliament as a whole, has given its final opinion.

*(Applause).*

**President** — I call Mr Davignon.

**Mr Davignon, Member of the Commission.** — (F) I must say that I feel somewhat embarrassed at this moment, not by the question but because, owing to Parliament's timetable and the change in the agenda, I find myself commenting on this subject in the presence of some Members who were not here when it was discussed by the Legal Affairs Committee of the previous Parliament.

I would feel more at my ease if I could discuss this question in the presence of Mr Luster, who originally raised it. Other distinguished Members of Parliament, Mr Sieglerschmidt and Mr Scott-Hopkins, were also there. But let us not beat about the bush, that is not my way, and let us take a look at the history of this directive.

This directive was proposed not by Mr Jenkins' Commission but by its predecessor. The Legal Affairs Committee therefore finds itself in an embarrassing position, to put it mildly. That is the least that can be said. The right, and even the need, to have a directive on product liability based on Article 100 of the Treaty were disputed. We then had quite a discussion in the Legal Affairs Committee on whether it was legitimate to consider that legislation on product liability which differed among the Member States represented or did not represent an obstacle to the free movement of goods and whether it was covered by Article 100. That is the first question.

The second question. Mr Sieglerschmidt — I apologize for addressing myself to him — will recall that there was a first Commission opinion which it was fairly clear would be accepted by Parliament only with difficulty, because at the time opinions differed widely. The Commission was then approached and asked if it could not try to reconcile the various points of view, knowing that the disagreement did not chiefly concern this question. There was no question at the time of limits on damages, there was no question of revision or duration. It was an entirely different matter. We discussed the subject for a long time, and the Commission did not put forward new proposals until a working document, which I drew up with the representatives of the various groups in the Legal Affairs Committee, had been approved by the rapporteur. Mr Calewaert, who in open sitting requested referral back to committee on the basis of this new suggestion.

**Davignon**

It was asked during that discussion, in this respect, who should have the responsibility for proving that the product had been correctly used. Thus the concept was the same but the legal presentation was different. I did not say that it was a satisfactory compromise. I said it might be a satisfactory compromise and a way of getting out of the difficulties, because we had not finished our discussion on this aspect. In these circumstances, the action to be taken confirms what I say and it is a secret to no one, we discussed this matter in the Commission: there were two propositions, and the proposition that won the day was not the one put forward in Parliament's amendment on this subject. I am not divulging any secrets; it was very calmly reported in all the newspapers.

So the point about which I am sensitive is the suggestion that — and I thank Mr Turner for not using the word — I misled Parliament. I have never done so and will never do so. We had a long and detailed discussion in the Legal Affairs Committee, I would remind you. I said that that might be a way out, which means that the question of liability for unknown developments had not been dropped and that it was being dealt with along with the reversal of the onus of proof. The amendment was not, in the end, included in the Commission's proposal. But all the other amendments — in other words, the amendments which were proposed during the working procedure I have just referred to — were adopted by the Commission.

I have always said to the Legal Affairs Committee, on this subject as on others, that I regard the coordination of legislation as a long and exacting task and that permanent contact must therefore be maintained with the Legal Affairs Committee. I have said this in connection with other matters, because we are not dealing with specific items that are settled in three weeks. This matter will be before the Council for a year or two, because it is a delicate matter and because, as I said just now, the law in this field is evolving since it follows the evolution of science. I therefore said it is quite clear that Parliament must monitor subsequent activities and the Commission will undertake to provide information on the course of the discussion in the Council — not on what this or that Member State thinks, but on the discussion relating to the Commission's proposal — so that, as time passes, the parliamentary committee concerned may state its opinion. This was all the more logical as the proposal amended by Parliament with the Commission's agreement contained the idea of a revision period. That shows we are aware that this is something which is in the process of evolution. That can be done.

Mr Turner was afraid that the Council would settle this question impulsively and quickly. I have known the Council for a long time, having worked there and having now seen it from the other side, from the Commission. I have never seen a Council act impulsively, flippantly or quickly. I have seen it act in many other ways, but never impulsively. I can therefore tell Mr Turner that he has no cause to worry: I shall not

have to intervene in the Council to ask it not to be overhasty. The Council has already heard. I am, of course, quite happy for the discussion to continue with the Legal Affairs Committee on the various questions which arise, for Parliament to follow up this matter and for it to express its views at the various stages of the debate within the Council. I personally see no difficulty there. Furthermore, this is what I find satisfying about the legal procedure of approximating legislation, complicated though it may be.

That is what I think. That, Madam President, is what I wanted to say as I thought of the appeal for solidarity which you made earlier and with which I for one shall try to comply. I do not think I have spoken any longer than Mr Turner. There is still a great deal to be said. I feel we shall have to take up a number of issues. That, then, is the history of this resolution. I believe I have spoken objectively and subject to the control of the members of the previous Parliament's Legal Affairs Committee. We can be reproached for our position, but we cannot be reproached for our lack of clarity.

**President.** — I call Mr Sieglerschmidt, on behalf of the Socialist Group.

**Mr Sieglerschmidt.** — (*D*) Madam President, allow me first to make a remark regarding the Rules of Procedure. It is clear to me from the way this sitting is proceeding that it will not now be possible to debate Mr Donnez's report on the Adams-Hoffmann La Roche affair and the trade agreement with Switzerland today. It was in any case questionable to have it on the agenda for this late hour, and I should therefore like to request very formally that this report, which is of considerable political and legal import, be placed by the Bureau on the agenda for Parliament's next part-session — unless it can be debated tomorrow, which I very much doubt — at a time that takes account of the significance of this report.

Allow me to make a second comment, which concerns an issue somewhere between the Rules of Procedure and the subject we are now discussing: a parliament which has to have a night sitting every part-session seems to me to be a defective product, and I would issue a warning about this to those who advocate so strongly that development risks be excluded from liability, because I still hope that this is a parliamentary development risk that can be eliminated.

And now to the subject itself. Madam President, the report adopted by the old Parliament was a compromise — and that is something we should all be quite clear about — which was forced through the Legal Affairs Committee by a majority, those with the big stick, who threatened to express their doubts about whether Article 100 provided the power to issue this directive. This has been made clear again today by Mr Turner, who implied, translated into plain terms, that if things did not proceed as he felt they should,

**Sieglerschmidt**

thought should again be given to raising the question of Article 100.

Madam President, this is — I must make myself quite clear — not the proper way to go about things, especially for a member of the Legal Affairs Committee. It is our task to establish from a legal angle whether a directive meets the requirements of Article 100, and it is not for us to threaten we may do this whenever we do not like what that directive contains. The Socialist members of the Legal Affairs Committee and of this House supported the compromise, so that something might be achieved and so that an end might be put to what is for the European Community a very dangerous debate on Article 100. That is why we still feel today that full liability, including liability for development risks, is needed in the interests of the consumer and that if just one way is left open for manufacturers to chase consumers through the courts, the consumer's interests are not being served.

In the short time available I cannot explain why the fears that have been expressed here are unfounded. But I know full well why the manufacturers have repeatedly voiced their opposition. After all, it is obvious that, if it does come to a court case, a manufacturer prefers to face a single consumer rather than a large consumers' association.

I will not take up the question which Mr Davignon has already answered. All I would like to say is that we, the Socialist members of the Legal Affairs Committee, agreed to this oral question because we felt there was something to criticize here. And when it is now asked whether Parliament has always held the view that the Commission should accept its views, my answer is, yes, that is basically what I think. I would welcome it if in cases of doubt the Commission always adopted Parliament's decision. But if the Commission now decided to go off in another direction — that is how I would put it, Mr Davignon — we see no reason to depart from our well-founded view that development risks should not be excluded from liability. We will therefore vote against the motion for a resolution and hope that the Council will adopt this important directive — not impulsively, of course, but as soon as possible.

**President.** — I call Mr Janssen van Raay, on behalf of the Group of the European People's Party (CD Group).

**Mr Janssen van Raay.** — (NL) It is really impossible, Madam President, to say anything sensible, at ten minutes to twelve and in so short a time, about one — and I am speaking now as a lawyer with many years of experience — of the most difficult legal subjects of all, product liability. I should begin saying that I am taking the place of Mr Luster, and so Mr Davignon suddenly has to deal with me. I only know the background from various documents. It is my task, as the first speaker, to present this motion for a resolution to you. As I have said, it is almost impossible to say anything sensi-

ble about so complicated a matter in a few minutes. I will therefore concentrate on one point. When we of the legal profession talk about liability for risks — and that is in fact what development risks are about — we are dealing in every legal system I know with a completely exceptional matter, because in the legal profession, in the balance between responsibility and liability, rights and obligations, when someone somewhere is going to have to pay, we like to find a link with some kind of guilt, some kind of causality, which has to do with the fact that someone has done something wrong in a situation in which he could have done it properly. That is risk liability. In exceptional cases, the legislator has felt it necessary to impose risk liability on certain members of society. The great problem we face — as the old Parliament found too — is that risk liability of this kind must not be imposed on manufacturers.

My group supports the motion for a resolution to which Mr Luster and others have put their names, because we feel that the small and medium-sized undertakings in particular suffer under liability for something they could not know about, namely that defects would occur, with all that that entails. That is why we have raised this matter again. It is a very sensitive matter, which is economically important and which amounts to the question: who takes the blame at a given moment for a dangerous situation for which neither the producer nor the consumer is to blame. As we have said, a solution must be found. From what Mr Davignon has said, I can well understand how difficult things have been in the past.

All we are asking is that we be allowed to discuss again something incredibly important for trade in the Legal Affairs Committee, where we can talk about this matter and the social consequences, with Mr Sieglerschmidt being, I hope, a little less voluble. I see that my time is up. My group will be voting for this motion for a resolution tomorrow.

(Applause)

**President.** — I call Mr Prout, on behalf of the European Democratic Group.

**Mr Prout.** — Madam President, the issue raised by the Legal Affairs Committee on this question is, in my opinion, solely a constitutional one. It does not relate to the substance of the draft directive. The report of the Legal Affairs Committee approved by this Parliament contained a number of amendments to the Commission's proposal. By far the most important concerned the controversial issue of development risks. The Commission's draft made manufacturers liable even for damage caused by defective products whose defects could not have been discovered during the development process, given the prevailing state of science and technology. Now this Parliament took a different view, and argued that the manufacturer should be excluded from liability for damage caused by this class of defect. The Commission version, we

**Prout**

concluded, would severely inhibit scientific and technological innovation.

In the course of the debate on 26 April 1979 Mr Davignon, the Commissioner responsible for industrial affairs, endorsed Parliament's position in a clear and incontrovertible manner. Yet, on 26 September 1979 the Commission, producing its final amended proposal in the light of Parliament's opinion which it has now presented to the Council of Ministers, incorporated many of the minor recommendations made by Parliament, but ignored the major recommendation on development risks. Despite the undertaking made to the plenary sitting by Mr Davignon, the Commission has chosen to reassert its original position. Now, had Mr Davignon not spoken in the way he did, there is no doubt that the Commission would have been entirely within its rights to do so. The Council of Ministers is only obliged to resubmit an amended proposal to Parliament in circumstances where it contains an entirely new item — not present in the initial proposal upon which Parliament has already given its opinion. Clearly the clause on development risks is not such a new item. However, in this case Mr Davignon in effect gave an undertaking that the Commission would amend its initial proposal in a particular way, which conformed with the views of the Legal Affairs Committee on the issue of development risks. Had he not done so the subsequent vote on the draft motion for a resolution and report might have taken an entirely different course. The House was therefore misled by the Commission on a matter of fundamental importance.

Unlike the Council the Commission is politically responsible to Parliament. This is so because, in the last resort, Parliament has the authority to pass a motion of censure on members of the Commission, if necessary dismissing them. Now here the Commission as a whole are responsible for Mr Davignon's undertaking because of the doctrine of collective responsibility which has been repeated many times by members of the Commission sitting there. When one Commissioner gives an undertaking on Commission policy it is a statement which both reflects an agreed view reached by the Commissioners as a collective and binds them collectively. The Commission has therefore publicly entered into an undertaking with Parliament which it has broken. And this is why my group calls on the Commission to withdraw the draft proposal from the Council of Ministers immediately and amend it in accordance with its clear undertaking. The consequences of not doing so would be a severe breach of constitutional law.

*(Applause)*

**President.** — I call Mr Davignon, who wishes to make a personal statement.

**Mr Davignon.** — Madam President, an undertaking, in my understanding of English, means that a Member

of the Commission stands up and says yes I agree, that is what we will do. That is my understanding of an undertaking. The official record of what I said concludes, after having analysed the content of the proposed amendment, 'peut-être est-ce là, dans un premier temps, un bon compromis'... and I translate: 'Maybe that could be in a first phase a good compromise'. If that is not merely a comment on what might happen but can be interpreted as a commitment to propose this text, then my understanding of English, parliamentary history and commitments is not the same as that of the honourable Member.

**President.** — I call Mr D'Angelosante, on behalf of the Communist and Allies Group.

**Mr D'Angelosante.** — *(I)* Madam President, I should also have liked more time and to be able to speak in better circumstances. However, the situation is what it is.

Madam President, honourable Members, I think that for some time one section of this Parliament has been behaving every day in an arrogant and bullying way, trying to impose — on the pretext of a new majority constituted after the elections — its own views on every occasion. Since the constitutional system — to use an adjective already employed by Mr Prout — of the Community does not allow this Parliament to have its own way in everything, this arrogance assumes the proportions of threatening and blackmailing the Commission and of acting in a way which suggests that it is perfectly possible to compel the Council also to adopt what is a party political position for the defence of certain interests: this and nothing else is the heart of the matter.

I am completely bewildered, Madam President and honourable Members, at the fact that this tendency is taking shape particularly within the Legal Affairs Committee, to the point of substantially denying that the Commission can propose, and Parliament and Council can approve, proposals for directives on matters which are considered sensitive from the point of view of protecting interests which are dear to the hearts of the majority in this Parliament, or rather to one part of this Parliament.

By a slight majority, the Legal Affairs Committee voted for an amendment under which the proposal regulating consumer credit would not be one of those made the subject of a directive pursuant to Article 100 of the Treaty. The Legal Affairs Committee had to submit to a debate on the Fifth Directive on limited companies.

The Legal Affairs Committee has now had to submit to this exceptional discussion, imposed on it by a slight majority, the consequences of which are unforeseeable from a constitutional point of view. Using this normal imaginative and attractive language, Mr Turner has

**D'Angelosante**

hinted that our Legal Affairs Committee has resolved who knows what, to begin the discussion again to re-open the debate: but can it do this? I am surprised that Mr Davignon has said nothing about this and is at this moment speaking to the leader of the group which has made a violent attack on him instead of taking part in the debate: can the Legal Affairs Committee deal with this matter again Mr Davignon? By what right can the Legal Affairs Committee re-open this matter if it is now before the Council? Can the Commission withdraw a proposal made to the Council when discussion is still taking place? Can it do this because Mr Prout orders it to do so? What is the situation, can you tell us?

In my opinion, these are all empty threats, Madam President and honourable Members. They are empty threats and I should like to say that I have absolutely no intention of standing here and debating whether the criticism made of Mr Davignon is correct or the accusation made against him is wearisome and at times vulgar. On 26 April last year, Mr Davignon said on behalf of the Commission — and therefore not just on his own behalf — that within a year — that is by 26 April 1980 — the problem would be clarified with the Council or Parliament would be informed that the Council did not wish to proceed to harmonization in this sector, that is within a year everything would be completed or no further mention would be made of it. He now tells us that a further two or three years are required. It is obviously not easy to treat with Mr Davignon, because he forgets the undertakings he has given.

The Commission does, however, have the right, without encountering any constitutional problem, to accept or refuse Parliament's proposals, as it has done many times. I find it strange that the Commission should be criticised today, when the interests of big industrial complexes are under consideration by those who are their spokesmen in this Parliament, while in other cases when interests far more worthy of protection were harmed, this Parliament did not raise its voice against the Commission when it did not accept its proposed amendments. This is astonishing, Madam President, but it is also sad.

I now turn to some observations on the matter. I think that the amendment proposed by Parliament last year was rather 'ambiguous', to use an adjective which is easily understood and not as weighty as it might be. The first article of this directive, in the version amended by Parliament, stated in the end that anyone, even a small manufacturer, who marketed a faulty product was responsible for it leaving aside the fact that he was not aware of the fault. So a total and general liability was envisaged; but this point, which did not concern certain interests or was not defensible by the means which I shall speak about, has not been mentioned by anyone. Next, when going on to give details of this general liability, in the sense that it was present even when the fault was due to a lack of tech-

nical progress, the majority in this Parliament dug its heels in and said that there was no liability in this case.

All of us know, Madam President, including Mr Janssen van Raay who was a lawyer for a long time, because we were not born yesterday, that in court only large undertakings can give proof of this kind, with the bevy of technical experts which they have at their disposal. This means that big undertakings have the chance of freeing themselves always and in every case from liability for defective products. This action is shamelessly to the benefit solely of large undertakings. For this reason, this amendment should not have been accepted. Parliament has accepted it. The Commission is free to accept or reject it and no problem arises if it does reject it. The party on whose behalf I am speaking at the moment does not consider that this amendment was fair and acceptable. If I am not mistaken, the Member who spoke last year in my place said that we did not agree to it.

Whatever happened then, we do not agree, Madam President; we do not join in the threats which have been made. The document from the Legal Affairs Committee is only what you have in front of you; the motion for a resolution is something extra from Mr Janssen van Raay and his friends. The Legal Affairs Committee is only raising a problem but this does not lend itself to a biased, sectarian interpretation, and I therefore consider that in these circumstances, Madam President, the situation is correct, that Parliament should take note of this and that it should not allow itself to be led astray by those who seek to protect interests which do not have any particular right to be defended by the Community Institutions.

**President.** — Unfortunately we cannot complete our discussion of this item this evening. However, I should still like to call the speakers of various political groups, provided they keep their statements short.

I call Mr Sieglerschmidt on a point of order.

**Mr Sieglerschmidt.** — (D) Madam President, I just wanted to say that I did not abide by your appeal that I should keep to the speaking time allocated to me only to find Mr D'Angelosante speaking for ten minutes.

**President.** — Mr Sieglerschmidt, Mr D'Angelosante's speaking time was that of his political group and not his own personal time.

I call Mr Seal on a point of order.

**Mr Seal.** — Madam President, I cannot quite frankly see the point of going round the speakers of the political groups. There are still many speakers down to speak in this debate so that it is obviously going to be continued tomorrow. I would suggest that you

**Seal**

adjourn the sitting now and that we continue this item as soon as possible on tomorrow's agenda rather than waste any more time at this time of night.

**President.** — I made this proposal, Mr Seal, so that tomorrow morning we should have sufficient time to deal with the requests for urgent procedure.

If the Assembly agrees to this proposal, we can carry on.

*(Agreement)*

I call Mr Donnez, on behalf of the Liberal and Democratic Group.

**Mr Donnez.** — *(F)* Thank you, Madam President, I can assure you not only that I shall be brief, but also that I shall not allow myself to get excited like some Members who seem to have come in like lions rather than lambs.

*(Laughter)*

On behalf of Mrs Scrivener, who was to have spoken this evening, and on my own behalf I should like to make three very modest remarks, which concern the substance of this matter more than the form.

Firstly, in the matter we are discussing, it will be clear to everyone that we must strike a fair balance between the legitimate interests of the consumer and those of the producer, who has to create not only products but, at the same time, jobs. It is clear that for the victim of a defective product it is often extremely difficult to produce evidence of a fault. Commissioner Davignon said just now that producing such proof is very difficult. Sometimes it is quite impossible. It therefore seems to us, to Mrs Scrivener and myself, fairer to introduce a system under which the manufacturer can be declared liable without the victim having to prove the existence of a fault. That is the position which the Commission has adopted and, for our part, we can but endorse it.

Secondly, once the principle of liability without fault has been admitted, why, as some people would like to see, should the manufacturer be excluded from liability for defects existing at the time the product was put into circulation which were perhaps unknown because of the state of technology or science at that time? I admit that I do not understand the arguments of excluding this idea of development risks. Either we keep to the system of liability for proven defects, with the consequences for the consumer I have just mentioned, or we accept objective liability, and then the victims must be compensated for the damage they have suffered.

Only a general approach will persuade present-day industry to use every means available to manufacture

safe products. But it must be said, and this is where the courts can intervene, each case is a specific case, a unique case. If, for example, accidents or unpredictable or unavoidable deterioration occurred, product liability might be waived.

Thirdly and lastly, if the 'development' risk is excluded from the directive, you can bet that, when it comes to litigation, some unscrupulous producers will systematically maintain that there were development risks. But having raised this point, I wonder whether it would not be better for this subject to be debated again, in view of its importance, in our new Parliament.

**President.** — I call Mr Remilly, on behalf of the European Progressive Democrats.

**Mr Remilly.** — *(F)* Madam President, I shall keep you for only a few seconds because, as I do not want to prolong this debate at this late hour and as the points I wanted to make have been satisfactorily dealt with by previous speakers, I have decided to speak no further.

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

**Mr Seal.** — Madam President, I think the problem has solved itself. I asked that you adjourn the debate and that we continue with the speakers on the list tomorrow, not that you carry on tonight until the debate is finished. It does not do this debate justice to continue at this time. There are many speakers on the list, and I particularly am not going to speak in thirty seconds when I want to make several points; I would prefer to make them tomorrow. So I request, Madam President, that you adjourn the debate now and continue as early as possible tomorrow.

**President.** — Mr Seal, we have just lost another few seconds; I was indeed going to close the discussion this evening.

To wind up this debate, I have received from Mr Gillot and others a motion for a resolution (Doc. 1-120/80) with request for an early vote, pursuant to Rule 47(5) of the Rules of Procedure.

Parliament will be consulted on this request at the beginning of tomorrow's sitting.

I call Mr Turner on a point of order.

**Mr Turner.** — Madam President, while Mr Davignon is here I simply wished to state that I am sure that I speak for the Legal Affairs Committee when I say that we wholeheartedly welcome his offer of further discussions and information on the progress of this item through the Council. We believe that this will greatly facilitate our future work in the committee.



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

The debate is adjourned.

*24. Agenda for next sitting*

**President.** — The next sitting will take place at 9 a.m. tomorrow, Friday, 23 May 1980, with the following agenda:

**9.00 a.m.:**

- Decision on urgency and on a request for an early vote
- Woltjer report on reproduction of salmon in the Baltic
- Motion for a resolution on the crisis in the fishing industry
- Motion for a resolution on the European Regional Development Fund
- Motion for a resolution on the deaths of Kampuchean children
- Motion for a resolution on the situation of Anatoly Sucharansky
- Motion for a resolution on refugees in Somalia
- Motion for a resolution on the situation in East Timor
- Oral question on defective products (continuation of debate)
- Maij-Weggen report on colouring matters in food-stuffs

- Combe report on intra-Community trade in fresh meat
- Nyborg report on VAT and excise duty on ships' stores
- Mihr report on noise emission of construction plants
- Joint debate on Poncelet report on the second EEC research and development programme on textiles and clothing and Herman report on clay minerals
- Simonnet report on the use of the ECU
- Von Wogau report on directives on motor vehicles, textile names, electrical equipment and biodegradability
- Donnez report on the EEC-Swiss Confederation trade agreement
- Muntingh report on the conservation of wildlife in Europe
- Mertens report on discharges of aldrin into the aquatic environment
- Fullet report on discharges of mercury into the aquatic environment
- Supplementary Albers report on social security for employed workers moving within the Community

**10.30 a.m.:** Voting time

**After this time:** the motions for resolutions will be put to the vote after the closure of each debate.

*(The sitting was closed at 12.15 a.m.)*

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## IN THE CHAIR: MR PFLIMLIN

*Vice-President*

*(The meeting opened at 9.05 a.m.)*

**President.** — The sitting is open.

### 1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

## 2. *Documents received*

**President.** — I have received a number of motions for resolutions tabled pursuant to Rule 25 of the Rules of Procedure. A list of these will be found in the minutes.

### 3. *Petitions*

**President.** — I have received three petitions, whose titles and authors will be given in the minutes of this sitting. They have been entered, as Nos 24/80 to 26/80, in the register provided for in Rule 48(2) and referred to the Committee on the Rules of Procedure and Petitions.

### 4. *Agenda*

**President.** — I call Mr Glinne.

**Mr Glinne.** — (F) Mr President, on behalf of my group, I should like to draw your particular attention to the advisability of dealing today with item 95 of the agenda, namely Mr Donnez's report on behalf of the Legal Affairs Committee on the Adams case and its implications, particularly for the trade agreement between the EEC and the Swiss Confederation.

It is not the first time that this item has been put on the agenda in vain. We know that the Commission is awaiting Parliament's decision to take certain steps, and it is in order to facilitate examination of this item today that our group has decided to limit all its speeches to two minutes and is withdrawing all its amendments except No 5.

**President.** — I call Mr Walter.

**Mr Walter.** — (D) Mr President, I should like to take this opportunity to speak on one point, namely the possible disrespect shown to the Parliament by the Bureau and, leading on from that, on today's agenda and the organization of that agenda. The Members have this morning been informed by the Parliament's Information Service that the Bureau has decided to hold a special part-session of the European Parliament at the end of June in Luxembourg. I should like to point out to the Bureau that Parliament has decided its schedule of meetings for 1980. I should further like to point out to the Bureau that a majority of the Parliament of at least 206 votes is required in order to convene a special part-session. The Bureau has no power to convene special part-sessions of Parliament on its own responsibility.

(Applause)

I should therefore like to ask the Bureau when today, in accordance with Article 1(5) of our Rules of Procedure, it would like to call for a vote in this House on the holding of a special part-session and request the President to clarify this point forthwith.

(Applause)

**President.** — Although the matter you have just raised is not on today's agenda, I note your remarks and the President will examine the situation arising from your suggestion.

I call Mr von der Vring.

**Mr von der Vring.** — (D) Mr President, may I ask you to point out to the Bureau that it should not take any measures in connection with technical preparations for such a meeting because we do not have enough money and 206 votes in favour of the special part-session will certainly not be obtained here.

**President.** — I note your observations, which are connected with those made immediately before.

I call Mr Muntingh.

**Mr Muntingh.** — (NL) Mr President, item 48 on this morning's agenda is the report by the Committee on the Environment concerning an agreement. I am the rapporteur for that report and I feel that, in view of the large number of items coming before it on the agenda, it will not be possible to deal adequately with this agreement this morning.

Secondly, I am unable to be present in the Chamber after twelve o'clock. I have to return home. I have no alternative, in view of the extremely poor connections between the Netherlands and Strasbourg. I therefore ask you, Mr President, to place this item on the agenda of the next meeting of this Parliament.

**President.** — I consult the House on the proposition made by Mr Muntingh.

The proposal is adopted.

I call Mrs Wieczorek-Zeul.

**Mrs Wieczorek-Zeul.** — (D) On the first item of the agenda, which has still not been completely dealt with, I should like to ask you, Mr President, to make a definite promise to us that, by a given time, for instance 11 a.m. today, you will notify the plenary session of this Parliament of the outcome of your internal deliberation on the communication regarding the special part-session so that the Members of this House are able to react to it, hold a vote and prepare themselves accordingly.

**President.** — A statement will be made on this subject during the course of the morning, although I cannot state the exact time. Obviously, I cannot commit myself in any way on the point of procedure that has been raised. The matter will be examined by the President.

I call Mr Provan.

**Mr Provan.** — Under Rule 26(2) I would like my sheepmeat report referred back to committee. After what happened yesterday, I consulted the chairman of the committee, the vice-chairman, Mr Früh, and various members of the committee and they are of the opinion that we should take it back for further consideration in committee.

I have also discussed the matter with Mr Lange, chairman of the Committee on Budgets, and his committee would like to deliver an opinion on the report.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, we have already had a precedent in the form of Mrs Weber's report on nuclear waste and on that occasion the Presidency, with the approval of the House, held the view, and acted in accordance with that view, that such a request from the rapporteur is no longer acceptable if we are already at the voting stage. This is indeed the case and therefore I feel that the rapporteur's request cannot be granted.

**President.** — I remind the House — and this was stated very clearly yesterday — that the vote on the Provan report is scheduled for 10.30. There is therefore no reason for deciding now on the request for reference to committee.

I call Sir Fred Catherwood.

**Sir Fred Catherwood.** — Mr President, on the point raised by Mr Muntingh and the previous point, I would like to point out that the chairman of the committee has told the enlarged Bureau that they do not see how they can get through the ordinary business of this Parliament in the time that is now available, and that if we do not as a Parliament respond in time to the requests that are made to us by the Council and the Commission, then no notice is going to be taken of us on any other points that we raise. So I would very earnestly ask my friends opposite to consider before they refuse the extra two days. If we do not have the extra two days, we shall not get through the extra business that is required of this Parliament.

**President.** — Sir Fred, I have already stated that the Chair had duly noted the observations made on this subject and that a statement would be made before the end of the morning.

I call Mr Lalor.

**Mr Lalor.** — I have been asked by my colleague Mr Poncelet, in relation to item No 46, to convey to the House that he cannot be here today to deal with his report on the research and development programme for the European Community in the field of textiles and clothing, and he asked that this item be held over till the next part-session.

**President.** — I call Mr Rogers.

**Mr Rogers.** — Mr President, I think it is extremely wrong that we should suddenly have items removed from the agenda. This particular report by Mr Poncelet is of interest to certain Members who have made a

point of being here and want to participate in the debate. I wonder about the legitimacy of suddenly asking for things to be taken off the agenda. We really shall land up in a ridiculous position, since it means that if a person cannot be here, for whatever reason, then an item is gone and cannot proceed. I can see some awful implications for the future.

**President.** — Mr Rogers, while I fully understand your concern, I would point out that this morning's agenda is loaded to such an extent that there is every reason to fear that we shall not be able to deal with all the items.

I call Mr Herman.

**Mr Herman.** — (F) Mr President, it is stated in the agenda that Mr Poncelet's report and mine are connected. While I have no objection to examination of Mr Poncelet's report being deferred, I am eager for my report to be discussed, not for personal reasons, but because I know that the programme on which we have to give an opinion has been pending for a long time, that it has already been delayed by this Parliament and that it is a matter of urgency that it be adopted!

**President.** — I call Mr Taylor.

**Mr J. D. Taylor.** — Mr President, I object to the possible withdrawal of item No 46 in the name of Mr Poncelet. This is a most urgent matter, as Mr Rogers on the other bench has already stated. I think you should recall, Mr President, two facts which underline how urgent it is.

First, the textile research programme has been on our parliamentary agenda for the previous two part-sessions, and on both occasions put back to the next part-session. This will be the third time it is postponed.

Secondly, at Question Time to the Council of Ministers this week, the Council in reply stated that they could make no progress in the matter because of the failure of Parliament to reach a decision. Therefore a decision is urgently required. If Mr Poncelet has not the good manners and grace to be with us this morning, he should nominate another person to act on his behalf.

**President.** — I consult the House on the request to defer the debate on the Poncelet report.

The request is rejected.

### 5. Decision on urgent procedure

**President.** — The next item is a decision on the adoption of urgent procedure for two motions for resolutions.

I put to the vote the request for urgent procedure in respect of the *Ceravolo et al. motion for a resolution (Doc. 1-203/80): Community monitoring body for the labour market*

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

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**President.** — I put to the vote the request for urgent procedure in respect of the *Bonaccini et al. motion for a resolution (Doc. 1-204/80): Grave situation in the Po catchment area.*

The request is rejected.

The motion for a resolution is therefore referred to the appropriate committee.

### 6. Decision on a request for an early vote

**President.** — I consult the House on the request for an early vote on the *Gillot et al. motion for a resolution (Doc. 1-120/80): Liability for defective products.*

The request is adopted.

The vote will be taken at the next voting-time.

### 7. Reproduction of salmon in the Baltic

**President.** — The next item is the report by Mr Woltjer (Doc. 1-174/80), on behalf of the Committee on Agriculture, on the

recommendation from the Commission to the Council (Doc. 1-135/80) for a decision concerning the conclusion of the agreement in the form of an exchange of letters applying in 1980 the Agreement between the European Economic Community and the Government of Sweden on certain measures for the purpose of promoting the reproduction of salmon in the Baltic Sea.

I call Mr Woltjer.

**Mr Woltjer, rapporteur.** — (NL) Mr President, fellow Members, although the Agriculture Committee agrees to the principle that the Community should make a contribution for the breeding of young salmon, we do, however, feel that we should point out that the Agriculture Committee cannot give its approval to the proposal unless the Committee fixes the contribution to be made by the fishermen for this breeding project in such a way that the fishermen are not seriously put out by it. We have already expressly raised this matter before in a report by Joyce Quin, of which the Parliament fully approved at the time.

I also feel, Mr President, that we should still ask the Commission to give its express agreement to our point in this field and answer our question to that effect.

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

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

### 8. Crisis in the fishing industry

**President.** — The next item is the motion for a resolution tabled by Mr Provan and others on the crisis in the fishing industry created by a massive increase in imports (Doc. 1-155/80).

I call Mr Provan.

**Mr Provan.** — I cannot recall a subject which, when I have discussed it with colleagues, has aroused so much fear for the future as the prospects for the fishing industry. There is no doubt that we are trying at the moment to conserve our fish stocks for the future, yet the way we are operating the system is encouraging a great deal of waste.

What is happening is that because prices are low, fish is being ground for meal, or else it is being dumped at sea so that the skippers concerned will not go over their allowed catch. Then they go back to sea a day or two later to catch some more because they hope the price will be a bit higher.

The fishing industry is in such economic difficulties at the moment that it cannot really survive. This Parliament, I suggest, has got to do something about it.

What can it do? I believe the Commission has powers at the moment to undertake all that is necessary. According to Article 22(2) of Regulation 100/76, it is empowered in the event of economic disturbances on the market to take the necessary protective measures under Article 39 of the Treaty. This is absolutely vital if we are going to have a fishing industry in the future.

**Provan**

Boats are being tied up by the day, and many boats at that, not only in the constituency which I represent — Aberdeen, Peterhead and Fraserburgh — but also throughout the rest of the Community. This is going to be vital for the future of the housewife if she is going to get fish in future.

But the problem, Mr President, is partly this too: that the housewife today is not getting the fish any cheaper than she was when fish was very much more expensive on the quayside. This is the crux of the matter. I feel therefore that we must ask the Commission to raise withdrawal prices with all haste and probably go as far as doubling them. They must also at the same time make sure that fish coming in from third countries to the Community does not undercut our own industry to such an extent that it cannot survive. The industry is a viable industry and wants to carry on 'producing' fish. But, Mr President, it must be allowed to do so without unfair subsidized competition from abroad.

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

**Mr Nyborg.** — (DK) Mr President, I wish to support this motion for a resolution, on behalf of my group. It is interesting to see our British colleagues raising this matter; in the past the British were not especially keen on setting up a fisheries policy as such. But it is a fact that fishermen throughout the Community are facing difficulties, and they have not been helped by the rise in energy prices and so on. Increasing imports from outside the Community are one of the most disquieting factors.

We should be very pleased to see our fishermen getting higher prices for their catches, but would warn against raising tariff barriers and increasing duties. For us that goes against the grain. We do not wish to see tariff barriers raised again: we want trade to be as free as possible.

With these reservations, as I said, my group endorses the motion for a resolution.

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

**Mr Kirk.** — (DK) Mr President, I should first like to express my surprise at the Commission's failure to answer Mr Woltjer's speech a moment ago on the Community's contribution to the Swedish Government for the stocking of Swedish rivers with salmon, but I assume the Commission intends to make its reply later, perhaps in conjunction with the question we are now discussing.

We in the European Democratic Group strongly support Mr Provan in his response to the present state

of the fish market in the various European ports: we are most concerned at current trends, and are convinced that if nothing effective is done about imports, if we do not achieve stability in European fish prices, the result will be that, even if we do achieve a common fisheries policy acceptable to all the Member States, we shall not have a fishing-fleet left to carry it out.

On behalf of my group, I urge the Commission to use its powers under the Council Regulation of 19 January 1976. The Commission does have powers to control and safeguard the market in fish, and if it is going to face up to the present situation in Europe, it must use them. I regret to say that what we have been told of the Commission's intentions — that is, to raise reference prices for fish — is inadequate. Other and drastic action must also be taken if this most unfortunate situation is to be rectified, and if we are to continue to have a large and efficient European fishing industry.

I look forward to the Commission's reply to Mr Woltjer.

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

**Mrs Poirier.** — (F) Mr President, the seriousness of the situation affecting fishermen in the Community urgently calls for — on this we are agreed — initiatives regarding guaranteed minimum prices and protective measures to limit certain imports that have had disastrous consequences.

In France approximately one million people, including of course the families which live directly or indirectly from fishing — are affected by the pursuit of restructuring policies which, after operating in the deep-sea fishing sector, then in that of in-shore fishing, are threatening the high-seas fleet. Some observations made on the basis of the national reality illustrate this disturbing situation in which at the same time there are more plans to reduce the number of seamen, fleets are being concentrated and there is a squeeze on jobs in activities based on the handling or processing of sea products. Thus from 1962 to 1978 the number of sailors fell from 41 358 to 27 638, that is a reduction of more than 33 %. Our fishing fleet, which consisted of 14 074 vessels in 1962, comprised only 12 193 in 1978, that is 13 % fewer vessels. Such a loss, with the serious human consequences involved, is at the same time due to the decisions of the past twenty years, at the initiative of the Common Market, that have been relayed or added to by national choices taken in favour of big shipbuilders and the fish processing companies. Whether it be national plans, EAGGF operations, or economic measures — everything has been done to promote the positions held by certain big fishing and processing firms. The consequence has been the acceleration of the concentration of the



**Poirier**

fleets, in short the decline of the industry. The EEC's policy is not, however, concerned solely with the means of production; basically, there is a political inability to regulate the sea fisheries sector and make it work at Community level: witness the attitude of the British, who failed to comply with certain directives. In these conditions, the prospect of enlargement of the Common Market to include Greece, Portugal and Spain — three new countries with very marked seafaring traditions — is a source of grave concern to fishermen, particularly in the South-Western region of France, fishermen who see this development as a death blow to their industry.

For all the reasons I have given, our group cannot but support an initiative aimed at invoking the safeguard mechanisms provided for in the Treaty of Rome, although it considers that such action would be wholly inadequate unless the measures that are taken prove fully effective. That is why we are proposing two amendments which will make things more specific.

**President.** — I call Mr Battersby.

**Mr Battersby.** — Mr President, this is a crisis for Europe and measures are required to keep our fishermen in business; but the Commission, and we, must think beyond the crisis. The housewife will not pay more than a certain price for fish relative to other protein foods. The processor, who is a major employer in the industry, can only pay so much. If withdrawal prices are pitched too high, fish will not be saleable owing to consumer resistance and will either be dumped overboard or be made into fishmeal, with the Community financing the difference between the withdrawal price and the low price the fisherman gets from the fishmeal plant. If this happens, not only will resource conservation suffer and processors have to shed labour, but long-term consumer patterns will change and consumption, which has been dropping gradually for many years, will continue to drop.

Market distortion is due to many factors, including the dissimilar levels and forms of national aid throughout the Community. One of these is fuel aid, and it takes about a tonne of oil to catch a tonne of fish. I would like the Commission to give thought to the stabilization of the market, the abolition of national fuel aids which differ throughout the Community and the possibility of providing direct, uniform Community financial aid towards fuel costs to the whole Community fleet. I am sure DG XIV can make a reasonable comparative estimate of the cost of such an operation and the cost of the withdrawal system at the high levels we are demanding at this stage, and propose various alternatives.

I would suggest that they base their calculations on the size and type of vessel and not on engine size, so as to

avoid encouraging the use of overpowered engines in new vessels. In this way, vessel operating costs will be reduced on a fair, uniform basis and good fish will be landed profitably at a price the consumer and the processor can afford. At the same time, we shall keep our fleet in being, because there is a danger, in this crisis, that many of our fishermen will have to go out of business.

If the Commission, after consideration of this idea, could advise the Fisheries Working Group of its opinion — say in July — this would be greatly appreciated.

**President.** — I call Mr Blaney.

**Mr Blaney.** — I should just like on behalf of the fishermen in my own country, Ireland, to add my voice to those already raised here this morning and to say that over the past two or three months cheap imports have been affecting our fishermen's livelihood to such a degree that, if it is allowed to continue, there will be no future whatsoever for the fishermen. We in Ireland are, perhaps, more vulnerable than most other parts of the Community in that our fishing fleet is still at a very early development stage and cannot, therefore, be compared with some of the bigger fleets in the Community and throughout the world. The unfortunate thing is that we also find that, although these imports are available at low prices to the distributors, the consumer in Ireland has not gained any advantage.

With regard to the fuel-cost aid, this is something that we do not benefit from in Ireland at all. I fully support, therefore, Mr Battersby's plea for uniformity in fuel aid. It is necessary. We cannot allow our fishing fleets to be depleted at this particular time and we should do everything possible to help them. This is a matter of great urgency, because the situation is critical.

**President.** — I call Miss Quin.

**Miss Quin.** — Mr President, I should like to refer, first of all, to Article 22 of the Council regulation of January 1976, which other speakers have already referred to and which was referred to in the request for urgent procedure which we adopted earlier this week.

Fishermen throughout the Community, I believe, are anxious for the Commission and the Council to take action, and this action can no longer be delayed. Both Commission and Council are allowed to take action under Article 22 of the 1976 regulation, but so far have not done so. If we are to have rules and regulations, surely they must be seen to be applied and observed. If regulations exist, but are never used, even

## Quin

when the circumstances obviously warrant their use, what is the point of having them? They simply fall into disrepute.

The position at the present time is extremely grave: prices for fishermen are very low indeed and the competition from floods of imports from outside the EEC is very, very severe. It may seem rather strange that someone from a party that often criticizes price increases for farmers should talk about price increases for fishermen. However, I believe that the situation is very different in this case. Consumers who might benefit in the very short term from the present situation will ultimately be forced to pay much higher prices if the present market disturbances continue unabated. It is very important that we should provide for a balanced market where consumers can be sure of continued supplies at reasonable prices in the future. Something needs to be done about the situation now to prevent Community fishermen, particularly those in the United Kingdom, from going out of business. Fishing is important for fishing communities, not just in terms of the jobs of the fishermen themselves but also the four or five onshore jobs which depend on the job of each individual fisherman.

For fish-merchants, too, the present boom in cheap imports is a rather short-term benefit. I believe that once many Community fishermen are driven out of business those who are sending us their fish from outside the Community will increase their prices. Merchants' profits, which at present are fairly considerable, will be greatly diminished as a result, and consumers will have to bear the cost of increased prices. I should like to close by addressing a plea to my Conservative colleagues who will be speaking in this debate today about the plight of fishermen. A Member State may ask for Article 22 of the 1976 regulation to be applied, and I would ask them to plead with their Conservative government to do something. If their party and government are serious about this, they will act straight away.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, my colleague Vice-President Gundelach deeply regrets that it is not possible for him to participate personally in the urgent debate requested by Mr Provan and others. Long-standing commitments prevent him from being here today, and he deplores this all the more since he is well aware of the problems that Community fishermen are faced with in the present situation and of the rapid changes in fishing conditions and the lasting uncertainty as to the future.

If you will bear with me, Mr President, for a moment, I would like briefly to refer to the previous discussion on the Woltjer report and to say that the Commission thanks the rapporteur for his report and for the

approval of the Commission's proposal. We have noted that the rapporteur again raises the question of the way in which fishermen contribute to the payment to Sweden. The Commission will now reconsider its proposal in the light of this report and of what has been said in the House today and in March. I must, however, at this stage underline that we shall have to examine very carefully certain practical and legal consequences of a change in our proposal for a licence fee. With this reservation I can assure the House that we will keep an open mind.

Coming now, more particularly, to the subject raised by Mr Provan and other speakers, I have already indicated that because of its seriousness we wish a debate of this nature to have our full concern. Of course, the Commission has, as part of its responsibilities, closely followed the development of the markets. It has had consultations with all sides of the industry and it has, on the basis of the picture which it has been able to form, taken certain important initiatives which I shall refer to.

While we have noted a certain instability in the market and an unsatisfactory development of prices, we do not agree with all the elements of the analysis and, indeed, the conclusions of the draft resolution.

Let me first turn to the situation as it has developed in the market in 1980. After a period of high, or even very high, prices from 1977 to early 1979, the market has, since the beginning of the summer of 1979, shown signs of weakening. At the beginning of 1980, we have noted marked, and in certain cases severe, price falls for a number of products, in particular at the UK quayside markets, where prices had been maintained at very high levels. This development has been accompanied by increases in input costs — in particular, as has been mentioned already, energy costs. There has therefore been pressure on the profit margin. It would appear that the authors of the resolution refer to the situation in January–February of this year. However, since then the market has become somewhat firmer and this stabilizing trend is still continuing.

What are the reasons for this development? The question is important, because without the correct diagnosis you cannot give the right medicine. It is suggested that — and I quote from the draft resolution — 'the greatly increased imports of processed and unprocessed fish at subsidized prices' caused the drop in prices observed at the beginning of this year. Now while we certainly have to take imports into account in our analysis, they are not a factor in the supply situation. There is, in the view of the Commission, no single or simple explanation for the market situation as we have seen it developing in January and February. It is a question of several concomitant factors on both the demand and supply side and on both the consumer and producer side, which all bear to a greater or lesser degree on the situation.

## Burke

Among these factors I would point out the following. At the beginning of the year 1980 there were very favourable weather conditions, and we have therefore had landings at a higher level than is usual at this period of the year. This phenomenon has, moreover, been accompanied by not insignificant landings of small-sized fish in the UK, which are not so readily absorbed by the market. We observe that consumers seem to have reacted to the high prices which prevailed over the last few years. It must not be forgotten that fish is one protein product food which has its place in the hierarchy of the consumer's choice. The high prices in the UK and the strengthened pound have certainly attracted landings in the UK by vessels from other Member States. I note also that we have had increased availability of external supply. However, this growth in imports is not new. We have seen steadily growing imports and exports since 1976. Countries like Iceland, Norway and Canada are starting to reap the advantage of their 200-mile-zones and there seems to be a certain transfer of exports from the less attractive United States market.

On the question of imports, I would underline that the Community cannot do without imports. Community production no longer covers market requirements for certain white-fish species such as cod, while at the same time other species such as mackerel have to be exported, in some cases with export refunds, since the trend in consumption does not develop in the same way as the trend in production. This situation is the consequence of the general application by fishing nations of 200-mile fishing-limits and the reduction of fishing by distant-water fleets in their traditional grounds in the North Atlantic, as well as of the difficult state of certain Community stocks.

The available statistics illustrate this. Imports have risen by 37 % since 1975. At the same time exports have gone up by 155 %. The January–February 1980 figures are in line with this trend. For the UK market in particular, imports from third countries in January–February 1980 reached 25 000 tonnes, against 15 000 tonnes in the corresponding period of 1979. This is partly accounted for by the particular situation of certain British ports. Thus the import figures for the first quarter of the year show a less significant increase. At the same time exports increased from 115 000 tonnes in January–February 1979 to 128 000 tonnes in the first two months of this year. It should also be recalled that the imports to which the motion refers have taken place at price levels well above the existing reference prices. Certain small quantities have come in below the reference price, but there is no evidence that this has had a disturbing effect.

For these reasons the Commission, while recognizing the difficulties of adjustment with which the fishing industry is faced at the present time, is of opinion that the conditions under which the safeguard measure provided for in Article 22 of the Council Regulation of 1976 might be applied were not met in January

—February and are met even less at this time of the year. The House might also wish to know that the Commission has received no request from Member States to apply the safeguard clause.

The Commission, however, recognizes that the market in present circumstances needs strengthening and that the stabilizing development over the last months, to which I have referred, should be supported. We must in this connection see to it that abnormally low-priced imports do not compromise the stability of the market and the price stabilization measures undertaken by producer organizations. This is particularly necessary in the present circumstances of increased input costs, but the Commission maintains that this should be done by other measures than by the application of Article 22, which gives us the possibility to stop imports. Other measures are appropriate and adequate, and the Commission has already indicated in its reply to the question this week by Miss Quin, 94/80, that it has taken two initiatives.

We will — and the proposal was submitted to the Management Committee last week — increase significantly the reference prices for imported products. The regulation will be passed by the Commission today, Friday, and it will mean an increase in reference prices of between 6 % and 25 %, with an average of 10 % for frozen fillets of fish and 20 % for frozen whole fish. We are confident that this measure will have an immediate beneficial effect on the market, and it improves our possibilities to act in the event of imports at cut-throat prices. Moreover, the Commission has recently proposed to the Council that the autonomous tariff suspensions applied in previous years and for the first six months of 1980 for a number of important white fish species, in particular cod, haddock and whiting, be discontinued. If the Council adopts these proposals, which in the Commission's view are justified in the present supply-and-demand situation, the full tariff of 15 % will be applicable as from 1 July 1980 to these imports.

I think that with these measures we have already taken appropriate action with regard to the effects of imports and that we have thereby met a large part of the motion for a resolution. If the resolution, in calling for a revision of tariff rates for certain third countries, aims not at this kind of measure but at a revision of conventional tariffs based on agreements with certain third countries, the Commission would not be able to agree. We firmly believe that the measures we have taken will go a long way towards reassuring Community producers that their legitimate interests will be duly taken into account, even in a situation of greater Community need for external supplies of certain fish products.

On the other hand, the Commission does not believe it to be in the interests of the fishing industry to press for higher withdrawal-prices. The withdrawal-price system is meant as a safety net under the market, a

**Burke**

safety net which has been lifted considerably by a number of producer organizations through the operation of autonomous withdrawal-prices. It is not a system of intervention at market-price level. Such a system would, if only because of the nature of the products involved and the inevitable fluctuations of market-prices as reflecting landings, give rise to high interventions and waste. While the Commission is in the process of reexamining the existing market organization with a view to introducing appropriate adjustments in the light of decisions on other elements of the fisheries policy, it does not find that it would be in the interests of the fishing industry to press for higher withdrawal-prices. The unavoidable consequence would, as I have said, be that substantial quantities of valuable fish would have to be withdrawn from the market for human consumption and be destroyed. The industry has an interest rather in maintaining supplies to the market at reasonable prices in order to defend and, if possible, improve the market's share of fishery products *vis-à-vis* other protein foods. It should be recalled that withdrawal-prices, expressed in units of account, have already been increased over the last five years by between 36 % and 48 % for the main white fish species. It thus appears that fishermen at least cannot complain of being the victims of a cheap fish food policy. I would therefore strongly urge the House not to insist on its demand for an increase of present withdrawal-prices.

On balance, the Commission is of the opinion that the action already taken with regard to reference prices and tariffs gives due weight to the fishermen's interests without ignoring either those of other sectors of the industry or general policy interests. In taking this balanced action, it is convinced that it is also acting in the long-term interests of the catching industry. As to the future, the Commission will continue to follow the evolution of the market situation for fishery products and will take or propose any measure available to it that the prevailing market situation requires.

I have taken note of the points made in the debate, and particularly that made by Mr Battersby, which I will bring to the attention of Vice-President Gundelach. We will both give it the fullest consideration possible.

In regard to the amendments to the motion for a resolution, Mr President, if this is the appropriate time to indicate a reaction to them, I would only say on behalf of the Commission that the House will probably understand why Amendment No 1 is not acceptable to the Commission. Amendment No 2 goes beyond what Mr Provan asked for in his resolution, that is, increased withdrawal-prices. I have already defined the Commission position in regard to that, and I feel that this is another matter in which the House will easily understand our position.

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

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

### 9. *Revision of the European Regional Development Fund*

**President.** — The next item is the motion for a resolution tabled by Mr De Pasquale, on behalf of the Committee on Regional Policy and Regional Planning, on the revision of the Regulation establishing the European Regional Development Fund before 1 January 1981 (Doc. 1-171/80).

I call Mr De Pasquale.

**Mr De Pasquale.** — (I) Mr President, there is a time limit set by the present Regional Fund Regulation: Article 22 provides that, on a proposal from the Commission, the Council shall review the regulation by 1 January 1981. This is not just one date among others, this is a political undertaking which we believe must be respected. What happened was that when, in February 1979, after over a year's delay, the Council adopted the first revision of the regulation, but without taking account of this Assembly's comments, it formally bound itself to do so at the time of the second revision, that is, precisely by 1 January 1981.

There can be no valid reason for a postponement. The European Parliament has always regarded the Fund as an instrument that is useful but altogether inadequate and hardly capable of producing significant results in reducing the internal imbalances within the Community. The European Parliament has always held, and said, that the way to pursue this aim is not through a Fund that distributes refunds, but that what is needed is a genuine regional policy, i.e. a general Community policy, equipped with the sort of instruments that can channel investments towards the weaker areas; that, in the selection of areas for investment, can coordinate geographical factors with the availability of labour; that can protect and stimulate the productive potential of entire European regions now being devastated or impoverished by the processes of industrial concentration, migration and by the workings of the agricultural policy.

Clearly, honourable colleagues, these desirable policies and instruments can only function on the basis of progressive economic and monetary integration in the Community. It is customary to object to this that, for the present, no such prospect exists; indeed, the crisis has become extremely grave: the Community shows clear signs of crumbling, the climate for a serious reform of the Regional Fund, it is said, is simply not there, so the best we can do is preserve what we have, hoping for better times to come.

**De Pasquale**

To resign ourselves to this pessimistic outlook would be, in our view, a fundamental mistake. We can only keep the prospect of overcoming the present crisis alive if we have the strength not to lay down our arms of constructive criticism in every area, but particularly in the area of regional policy. The revision of the Fund represents a partial, but a real, opportunity. We can, even if only within this limited ambit, put forward our demands for serious regional programmes, for Community aid at the level of programmes, rather than of projects, for a different orientation of investment policies *vis-à-vis* regional planning, for a more structured coordination of Community funds, for an expansion of the non-quota section.

We can set up more precise and far-reaching mechanisms of auditing and control, and hence improve coordination with national policies.

All these are essential aspects which for the time being we can only deal with within the limited framework of the Fund regulation, but which already at this stage are preparing the ground and creating the necessary conditions for implementing a regional policy worthy of that name.

This is why, Mr President, we insist that time limits be respected and commitments honoured. What we ask of the Commission, with which we have always had a relationship of fruitful cooperation, is that it should not give up its power — its duty — of initiative. The Commission's mandate is about to expire, but this is precisely why, with the experience it has gained, it is now best placed to propose a new regulation, without submitting to pressure from the Council or its organs and without preliminary bargaining.

What we ask of the Council is that it should give up what has now become one of its habits, that of delaying for years every decision concerning regional policy. We ask the Council once again to adopt quickly the five regulations concerning the non-quota section that have been before it for many months now. This is a very grave default, for this delay, apart from preventing the utilization of resources that are already available, threatens to obliterate the innovative nature of the experiment. There are things, Mr President, honourable colleagues, that cannot be put off forever. This is why we call on the Assembly to adopt the resolution.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I shall be extremely brief, as the motion for a resolution just presented by Mr De Pasquale is brief. Let me just comment shortly on paragraphs 5 and 6, because the remaining paragraphs are, I would say, self-evident and call for no comment from the Commissioner.

Concerning paragraph 6, Mr De Pasquale knows that I already have, both in my own name and in that of the Commission, urged the institution of the proposed dialogue between the Commission and Parliament's Committee on Regional Policy and Regional Planning and that, indeed, we have already agreed in principle with Mr De Pasquale a date that suits the committee chaired by him. I am, therefore, ready for the dialogue, ready for a meeting at which I should like to discuss with the committee the subject of paragraph 5 of the resolution, that is, the revision of the Regional Fund regulation. But I shall want to use that opportunity to talk with the committee about the timeliness and the usefulness of revising the Regional Fund regulation at a moment when we shall have had no experience as yet of the most important innovation introduced into the regulation, that is of non-quota measures. By the date mentioned in paragraph 5, we shall not yet be able to use the periodic report, the first of the periodic reports on the socio-economic situation in the Community's regions which, in accordance with my proposal, the Commission is to submit after the summer, that is before the end of the year. By that time we shall be faced with the approaching enlargement of the Community to include countries characterized by particularly extensive and complex regional policy problems, and we shall also be faced with what is called the 'problem of convergence'.

I have confined myself here to mentioning these problems, all of which are of considerable importance for the future of regional policy, and to alerting you at this stage to those aspects on which, in my opinion, the Commission and Parliament's committee should jointly reflect in order to arrive at well-pondered conclusions. To sum up, then, my answer to the invitation addressed by the resolution to the Commission, and to me personally, is favourable and, with the reservations I have made, the Commission's and my personal opinion on the resolution are positive.

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

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

#### 10. *Death of Kampuchean children*

**President.** — The next item is the motion for a resolution tabled by Mrs Agnelli and others, on the death of thousands of Kampuchean children (Doc. 1-177/80).

I call Mrs Cassanmagnago Cerretti.

**Mrs Cassanmagnago Cerretti.** — (I) Mr President, we have talked about the motion tabled by Mrs Agnelli and others with some of our friends in the

**Cassanmagnago Cerretti**

Conservative Party and we seem to be substantially in agreement on some changes that need to be made. While it is, of course, important for the Community to find a solution to the problem of the Kampuchean children, we must emphasize that this must come only after every possible effort has been made to reunite families or to induce countries closer to their homeland to adopt them. Obviously, if no other suitable solution is found, Europe, too, will be prepared to accept them.

The real problem is that the adoption of these children should not mean cutting them off from their roots; therefore taking them into the Community should be regarded only as a solution of last recourse.

We felt it was important to make this point, and we ask the Assembly to vote for the motion thus amended because, while it is true that the price of wars must not be paid in the suffering of young orphans, it is equally true that, within the utmost limits of possibility, these orphans should be found homes in countries close to the place where they were born.

**President.** — I call Sir Fred Warner to speak on behalf of the European Democratic Group.

**Sir Fred Warner.** — I would like briefly to support what Mrs Cassanmagnago Cerretti has said. The situation is this: although the great flood of refugees coming out of Cambodia has stopped, thus enabling life in the camps to settle down into a more orderly routine, I have received a number of reports from Bangkok which suggest that the situation in those camps remains extremely bad. That also is the information which prompted Mrs Agnelli to table this resolution. Moreover, she received representatives of charitable organizations this week, who gave her a horrifying description of the continuing situation in the camps.

The point we have taken up is that some children have either lost their parents completely or their parents have been killed, and have no one to look after them. They are not attached to any family group. They are wandering around picking up a living as best they can. We felt, as signatories of this resolution, that such children ought to be removed from the camps as quickly as possible. There are two ways of doing this: one is by adoption, and the second is the much less drastic solution of placing them in foster homes in the countries nearby or further afield. We would like both these alternatives to be considered and they are envisaged in our resolution. We are, however, very much aware of the difficulties and dangers of sending children away to new families if there is some chance that they might one day be reunited with a family unit in their country of origin. It is for that reason that other members of my group have amendments to propose.

**President.** — I call Mrs De March to speak on behalf of the Communist and Allies Group.

**Mrs De March.** — (F) Mr President, I shall not go over again today what the French Members of the Communist and Allies Group have been clearly saying since the July part-session.

The European Assembly takes a look around the world, sets itself up as a universal conscience, but does not deal with matters falling within its jurisdiction which come under the Treaty of Rome. And at the same time it is not averse to using the food weapon against peoples. That is why we will not be taking part in the vote on this proposal for a resolution nor on the other resolutions proposed this morning which fall outside the competence of the Assembly.

Nevertheless, after listening to Mrs Agnelli fervently pleading for the evacuation of children and girls who, according to her, are raped every night, I should like to say in connection with this request regarding the situation of Cambodian children that it is easy to act as though one's own conscience were clear and to move the Assembly with such information. But when did the different political groups that you represent here act to defend those same Cambodian and Vietnamese girls and those women raped by American GI's transformed into human torches in their villages, with the blessing of the so-called free Western world? Do you think that we have forgotten the genocide of the years of US aggression in Vietnam?

*(Exclamations from the right)*

The struggle for human rights is the *raison d'être* of the Communists. It is a tribute to French Communists that they have always been behind the peoples of South-East Asia in the struggle against American imperialism, against colonialism, including our own. Why do you not take into account today the serious information given on 12 May by the International Committee of the Red Cross, which, with UNICEF, is administering the humanitarian aid in Cambodia. The latter has stated its opinion unambiguously. From Thailand and the United States an intervention situation is being stepped up in order to destabilize, for obvious political reasons, the improving situation by flooding the frontier with aid which is the source of conflicts. It was the International Committee of the Red Cross which revealed to the international press on 12 May the plan of those who, for political reasons, are affirming that the interior is a no-go area and that the Cambodians would be saved by the frontier operation. It was that same move which inspired the resolution on Cambodian children. Instead of considering stepping up aid inside Democratic Kampuchea there is a call to evacuate children, to bring about another separation that would be felt all the more deeply. After so much suffering the children need to hold on to their roots, to find other families in their native country, which

## De March

must be reborn on the land which is theirs, where they have the right to live like all children elsewhere in the world. A French doctor, Mrs Maité Millé, member of the Committee for Medical and Health Aid to the Cambodian Population, who has just spent two and a half months in Cambodia, has given an account this week in the French press. The suffering, the mistakes in Cambodia, are the consequence of four years of Pol-Pot dictatorship.

*(Exclamations from the right)*

This suffering is also the product, she says, of an appalling legacy, that of French colonialism, American aggression and Khmer Rouge terror. The rebirth of this people, the future of the country, requires respect for its choices, recognition of the legal authorities and unparalleled solidarity in its affairs. The recognition, the survival of Cambodia, depends on international aid from the Community and on the reintroduction of food aid for the whole of South-East Asia. Cambodia's future is, above all, its children. This presupposes that its children can learn to live in another age, one of confidence, justice and peace.

There will be no guarantee of Cambodia's survival unless the children of Cambodia remain in their land. To achieve this, well-meaning declarations are not enough given the debt contracted by the States and the governments involved in the war in Indo-China. France must also play its part; like the United States, it too was responsible for terrible destruction.

*(Applause from the extreme left)*

## IN THE CHAIR: MR ROGERS

*Vice-President*

**President.** — I call Mr Purvis.

**Mr Purvis.** — Mr President, the House is aware that we have discussed the tragic situation in Kampuchea twice already this year under the urgency procedure. As a result of this concern expressed by the House, the Political Affairs Committee has, I understand, been assiduously considering the problem in its totality, and has in particular had discussions with Mr Hartling, the United Nations High Commissioner for Refugees.

My amendments to Mrs Agnelli's resolution are based on the advice of those directly involved in coping with this difficult problem. They have had experience in previous situations. Perhaps one of the most significant was the removal to the United States — done with the best of intentions — of many Vietnamese children

when Saigon fell in chaos. Even now, Vietnamese parents are searching for their children, and you can imagine the heartrending effect on the adoptive parents and the now teenage children when the search is successful. This is the sort of reason that has prompted the International Red Cross, develop a sophisticated tracing system using computerized matching techniques and operating from Bangkok, to information gleaned on both sides of the Kampuchean border on relatives and children. In the Sarkeo Camp, for example, where refugees from the Pol Pot régime are located, nearly all of the 3 000 unattached children have now been identified and related to survivors of their families. The International Red Cross is now working systematically through the other camps and is hopeful of matching the majority of children to members of their extended families.

So our object here should be to assist the United Nations High Commissioner for Refugees and the International Red Cross and any other charitable organization concerned to collect the data relevant to these children and to extend and speed up the tracing work. We should try to encourage the Kampuchean authorities to facilitate the reuniting of children with families on either side of the frontier. Indeed, there have recently been hopeful signs that the Kampuchean authorities are showing some degree of willingness in this direction. We should ensure that unattached children in the camps are not exploited and are fed, clothed and cared for.

Lastly, we should only support the removal of children from their own environment and culture when hope of finding relatives who can care for them in that environment is exhausted. Any such process must only be carried out with the greatest care and the closest supervision. These children must not, under any circumstances, become merchandise traded on a black market for adoptable children. I therefore beg to move Amendments Nos 1 to 5 standing in my name.

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

**Mr Irmer.** — *(D)* Mr President, in justifying the urgency of this matter, Mrs Agnelli has already taken a position as regards the content of this motion and we will of course agree to the motion. I regard the amendments proposed here by Mr Purvis as justified and I also believe that Mrs Agnelli, who cannot be here today, would have agreed to these amendments. Basically, what is being said here is axiomatic, namely that children should be removed from the environment which they are used to, from their culture, only if there is no alternative. However, and I should like to emphasize this point once again, if the procedures involved in seeking other solutions take too long there is a great danger that these children will already have died from hunger and misery before anything is done.

**Irmer**

I believe that Mr Purvis too wishes his amendments to be interpreted as being subject to this reservation; I cannot understand it as being otherwise. Obviously if both possibilities exist, the first, namely that of leaving the children in their culture, is preferable, but if these children's lives are directly endangered then the second way is better. Our main concern is to save the lives of these children and to do everything possible in order to realize this objective. To this end, we shall also be supporting Mr Purvis's amendments.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the Commission notes with interest and concern the important matter being debated in the House today. On behalf of my colleague more immediately concerned with these matters, I can give an assurance of our concern and sympathy. The Commission has on a number of occasions expressed this. I will convey personally to my colleague the tenor of this debate, but the House will understand that, apart from that general expression, it is not appropriate for me to take any firm position in regard to this matter.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting-time.

#### 11. *Situation of Anatoly Shcharansky*

**President.** — The next item is the motion for a resolution (Doc. 178/80) by Mr Pflimlin and others on the situation of Mr Shcharansky.

I call Mr Pflimlin.

**Mr Pflimlin.** — (F) Mr President, a number of colleagues from various groups in this Assembly are concerned at the situation of the Soviet mathematician Anatoly Shcharansky. Mr Shcharansky has been active in the Soviet Union in the field of human rights, particularly with regard to the right of Jews to emigrate. Because of his activities he has been sentenced to three years' imprisonment and ten years in a special camp — hence a total detention period of 13 years. This is not, alas, the only case of this kind of which we have been informed, but the case of Anatoly Shcharansky does, I believe, deserve particular attention. This man is in poor health. He is separated from his wife. On this matter, I would point out that Mrs Shcharansky was expelled from the Soviet Union only a few hours after her wedding. She has now been separated from her husband for six years. Mrs Shcharansky came to Strasbourg and met a number of Member of our Assembly; we cannot remain indifferent to her fate.

The motion for a resolution which I am defending on behalf of all the signatories is not politically motivated. We are concerned about the human aspects, the humanitarian aspects and are guided by them alone. We ask the Assembly to pass this motion, the object of which is to invite the Council of Ministers to make representations to the Soviet authorities so that, particularly in view of the poor state of health of Mr Shcharansky, who is suffering, among other ailments, from serious eye-trouble, an act of clemency be made towards him.

*(Applause from the centre and the right)*

**President.** — I call Mr Habsburg to speak on behalf of the European People's Party (Christian-Democratic Group).

**Mr Habsburg.** — (D) Mr President, the subject of this motion is not only a humanitarian matter. Mr Shcharansky was sentenced — if the verdict of the Soviet parody of justice can be called a sentence — because of his unflinching activity for the protection of people's freedom of movement and basic human rights. What is more important is what was behind the action taken against this man: the boundless cynicism and racism of the Communist system. Here a peace-loving honourable man is persecuted because of an accident of birth, separated from his family and robbed of his freedom. Shcharansky symbolizes the logical development of a totalitarian régime. In order to defuse tension, such a régime must create scapegoats, and it always finds them in minority groups. The fact that the Soviet tyrant has again chosen the Jews, as Hitler did in his day, is a tribute to this people. It shows that the independent spirit of the Jews is alive in spite of the oppression. A people which for nearly 2 000 years had the courage to believe that they would spend the following year and then actually achieved this goal will survive.

For us Europeans though, our compatriot Shcharansky is a grim reminder and a reproach — a reminder not to give up until justice prevails, a reproach to those who play the hero to the dead Hitler but genuflect to his living epigons and get on with their dirty business.

As representatives of the people of Europe, it should be an honour for us to do all that is humanly possible so that Mr Shcharansky is freed and the oppressed in the USSR are eventually treated fairly.

*(Applause from the centre and the right)*

**President.** — I call Lord Bethell to speak on behalf of the European Democratic Group.

**Lord Bethell.** — Mr President, the case of Anatoly Shcharansky has been raised several times in this



**Bethell**

Parliament and for very good reason. It will be recalled that in 1977 Mr Shcharansky was arrested and put on trial in the Soviet Union on a charge of high treason after a press campaign of calumny and vilification that recalled the worst days of the Stalinist terror, after accusations of collaboration with the CIA, of working with British Intelligence and members of the American Embassy — actions that were reminiscent of something that we thought had long been removed from the Soviet vocabulary after the death of Stalin.

We took part in the appeals to the Soviet Government for his release and, when he was convicted, that his death sentence should not be imposed. However, he has been sentenced to the terrible penalty of a total of 13 years of incarceration in prison and in Soviet labour camps, and we all know the position of political prisoners in labour camps, where medical facilities are rudimentary, to say the least, and where those whose health suffers — and that, I am afraid, means most of the prisoners — cannot get proper medical treatment.

Several of those who went to prison in 1977 for monitoring the Helsinki Agreement have now been released. Mr Alexander Ginsberg, who was exchanged for a Soviet spy in the United States, was in this Parliament a few weeks ago and was received by President Veil.

So I think it is right that this Parliament should take a special interest in those individuals who were imprisoned specifically for monitoring the Helsinki Agreement, which was signed not only by all nine of our Member States but also by the European Community itself. It was a particularly glaring act of destruction for the Soviet Union to arrest and imprison those people who sought only to implement and monitor the Helsinki Agreement, which the Soviet leader Brezhnev himself signed.

Personally, I cannot see that the Madrid review conference can be held in any sort of decent spirit so long as Anatoli Shcharansky and other monitors of that agreement remain in prison.

*(Applause from the centre and from the right)*

**President.** — I call Mrs De March to speak on behalf of the Communist and Allies Group.

**Mrs De March.** — *(F)* Mr President, the defence of human rights is a subject underlying all activity by the French Communists and Allies in the European Assembly.

With the growing crisis affecting the Community countries infringements of all kinds of individual freedoms, economic and social rights and human dignity are increasing. That is why we have asked for a Commission of Enquiry to be set up in this Assembly

on freedoms within the European Economic Community. I regret that three months later, nothing has happened as yet and I am obliged to note that those who are only too willing to wave the banner of human rights in this Assembly for often disreputable purposes are embarrassed and violent in the face of this motion, even though it is fully within the powers of this Assembly.

We do not have a restricted view of freedoms but, at the same time, we could not accept this Assembly being transformed into a Standing Tribunal on world affairs. I listened attentively to Mr Habsburg a short while ago and the parallel drawn between the Soviet Union and Hitler is improper, Mr Habsburg.

*(Exclamations from the right)*

The Soviet people's fight against Nazism and to free the peoples of Europe cost it 17 million deaths: That is why our position on the resolution before us is unequivocal. We consider that this resolution does not fall within the jurisdiction of this Assembly.

We have in any case made our position clear on the case of Mr Shcharansky, particularly when Georges Marchais, on behalf of the Committee on Human Rights in France and elsewhere in the world and on behalf of the French Communist Party went to Geneva on 22 April last to ask the International Red Cross to act to secure the freedom of 13 persons imprisoned for their political opinions. But of course no one mentions this committee.

Allow me to refer to these prisoners:

- James Mange, South Africa, sentenced to death for his fight against racism;
- Gary Tyler, United States, sentenced to life imprisonment for racism;
- Jose Luis Massera, Uruguay, leader of the Communist Party, sentenced to 24 years' imprisonment for his opinions;
- Salah Abdel Rahman Abdelal, the West Bank, member of the Palestinian National Front, sentenced to 18 years' imprisonment;
- General Liber Seregni, Uruguay, candidate for the presidency of the Republic in November 1971, sentenced to 14 years' imprisonment;
- Annie Maguire, Northern Ireland, 4 years in a United Kingdom prison;
- Virgilio Bareiro, Paraguay, held in captivity for 16 years;
- Kim Chi Ha, South Korea, Korean poet, 7 years' imprisonment and 7 years' suspension of civil rights;
- Teresa Alicia Israel, Argentina, barrister, arrested on 8 March 1977;

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- Abderrazak Ghobal, Tunisia, General Secretary of the Sfax Regional Trade Union, sentenced to 10 years' hard labour;
- Abd Magid Ahmed, Egypt, trade union worker, held arbitrarily for more than 3 months and awaiting sentence;
- and finally, Anatoly Shcharansky, UDSSR, mathematician, 13 years' detention; Vaclav Havel, Czechoslovakia, writer, spokesman of the Charter '77 Group, 4½ years' imprisonment.

We demand the immediate liberation of all these men and women, and we do so without waiting for the European Parliament to make up its mind.

Having said that, we are not among those who forget that, within this forum, we are concerned with the protection of human rights within the Community. We are not among those who choose from outside the cases which suit them and forget about the dozens of people who have died or been injured in the United States — perhaps because they are black — or about the hundreds of people who have died in South Korea, perhaps because they are true Democrats. For the Communists, I must remind you, Mr President, the fight for freedom is indivisible.

*(Applause from the extreme left)*

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

**Mr Israel.** — *(F)* Mr President, fellow Members, may I, as someone who is sitting in this Chamber for the first time, say how particularly fortunate I am to speak on a matter concerning human rights.

Allow someone from outside to tell you that the peoples of Europe — and the French people in particular — look to us because you represent, in the human rights field, a sizeable portion of the conscience of mankind that is quite adequate to the peoples of Europe.

On behalf of my Group, the group of European Progressive Democrats, I ask you the following question: What is Shcharansky's crime? Shcharansky is above all, whatever you may say about it, for a militant human rights. He has taken seriously the signature by his country of the Helsinki Final Act and he believes, like all of us here, that the right to the free movement of persons and free exchange of ideas is a basic right and that from that right devolves a whole host of fundamental freedoms which it is our duty to defend whatever the circumstances. After claiming for himself and his people a number of cultural rights, rights to their own way of life and rights to practice their religion, Shcharansky is accused of espionage. This accusation, Mr President, is scandalous, scandalous in the biblical sense of the word. And it is important for every-

one to know that around Shcharansky the future of our civilization is being played out.

Your Assembly may also — it must be said — make up for the lack of courage of certain governments and what you say today about Mr Shcharansky will, you can be sure of that, go beyond Europe to reach areas whose political importance is really beyond doubt. I therefore entreat this Community gathered here today to pass the resolution tabled by Mr Pflimlin. I solemnly call upon you to act against an individual violation of human rights before having to act against flagrant, systematic violations of human rights.

*(Applause from the centre and the right)*

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

**Mr Haagerup.** — *(DK)* Mr President, it is hard to believe that anyone can oppose a motion of this nature. Its purpose is purely humanitarian: to obtain the release of Mr Shcharansky. However, I should like to point out the political implications, which are that, if this motion does not produce results, the situation at the Madrid Conference this autumn will be made even more difficult. The wider political prospects are bleak. I therefore feel it is most important that Parliament should support this campaign and this motion for a resolution; my group does so wholeheartedly.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting-time.

## 12. Votes

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

We begin with the motion for a resolution contained in the *Provan report (doc. 1-73/80): Sheepmeat*.

I call Mr Provan.

**Mr Provan, rapporteur.** — Mr President, before you begin the vote, I would like to request under Rule 26-(2) that my sheepmeat report be sent back to committee. I do so after what took place yesterday, and on the basis of discussions of members of the Agricultural Committee. I discussed it with the chairman and with Mr Früh, the vice-chairman, and various members of the committee. In fact I have many signatures from people we consulted to show that they feel that it should go back to committee for consideration. We

**Provan**

also discussed it with Mr Lange, chairman of the Committee on Budgets. His view is that his committee should deliver an opinion on the report. I therefore request that it be sent back to committee.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, I would point out once again that in my view this is not in keeping with what Parliament has already decided on the basis of the Rules of Procedure. I believe that in the case of Mrs Weber's report two part-sessions ago we decided that such a request is not possible when we are at the voting stage. I therefore regard the request as inadmissible.

**President.** — I was in the Chair when the Weber report was being put to the vote. In reply to the request by Mrs Weber and Mr Arndt for reference to committee, I ruled — on the basis of Rule 26(3), which states that 'once the general debate and consideration of the texts have been concluded, only explanations of vote shall be permitted before the matter as a whole is put to the vote' — that, as voting on the amendments had begun, the request for reference to committee could not be complied with. The matter was subsequently discussed in the Bureau, which concluded that, although it conflicted with an earlier decision, my ruling was the more appropriate, as otherwise the rapporteur, or anyone else who was not in favour of the amendments which had already been adopted, could prevent a final vote being taken by requesting reference to committee.

I must therefore be consistent with my decision on the Weber report and rule that, as amendments have been voted, the report cannot now be sent back to committee.

I call Mr Balfe.

**Mr Balfe.** — Pursuant to Rule 33 and in the interests of consistency, bearing in mind that the vote was postponed for lack of a quorum, I move that you ascertain whether there is a quorum present. I therefore invite you to ask whether ten Members are prepared to rise to request the establishment of a quorum.

**President.** — Are there ten Members present who wish to establish whether a quorum exists?

(More than ten Members stand)

A request to establish a quorum has been made by ten Members.

I call Mr Herman.

**Mr Herman.** — (F) Mr President, do you not think it would be simpler to take a roll-call vote, which would make it possible to see whether a quorum exists?

**President.** — Mr Herman, when Mr Dankert suggested yesterday that a roll-call be made to establish a quorum, there were strong objections from your part of the House.

We shall now proceed to establish whether a quorum exists.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — If the quorum is not established, may I propose that you suggest to the Bureau that, in the light of what has taken place, the decision arrived at in the Bureau should be reconsidered between now and the next time this item comes up for vote?

**President.** — A quorum has not been established. We cannot therefore vote on the second report by Mr Provan on sheepmeat.

The vote will be placed on the agenda of the next sitting.

I call Mr Blaney.

**Mr Blaney.** — On a similar matter: on the previous day when a quorum was sought, there was a quorum present, but when we voted it was decided, because the electronic voting system had been used, that it wasn't a valid vote. We have been making fools of ourselves, not only the previous day but today as well, because our friends over here on my left — though in other ways they are very far to the right — do not want this policy passed, regardless of what the Parliament may think about it. I can understand . . .

**President.** — You have had ample opportunity to make political points. The procedure has been carried out strictly in accordance with the Rules. The matter is closed.

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**President.** — We shall now consider the motion for a resolution contained in the *Battersby report (Doc. 1-150/80): Discharge in respect of the 1978 budget.*

I call Mr Notenboom.

**Mr Notenboom.** — (NL) Mr President, I should like to ask for a separate vote on paragraph 51 of the motion for a resolution.

*(Parliament adopted in succession paragraphs 1 to 50, 51 and 52 to 69)*

**President.** — I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

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**President.** — We shall now consider the motion for a resolution contained in the *Battersby report (Doc. 1-79/80): Seventh and eighth financial reports on the EAGGF (Guarantee Section)*.

*(Parliament adopted the first indent of the preamble)*

On the second indent of the preamble, I have Amendment No 1, by Mr Früh and others, seeking to delete this indent.

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — I am in favour of the amendment.

**President.** — I put Amendment No 1 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 1 is rejected.

*(Parliament adopted the second indent)*

On the third indent of the preamble, I have Amendment No 2, by Mr Früh and others, seeking to replace this paragraph with the following text:

— having regard to the fact that EAGGF (Guarantee Section) expenditure, less expenditure not directly linked to the common agricultural policy (food aid, trade with non-member countries, agri-monetary expenditure) and taking into account the revenue raised by this policy, represents about 40 % of the general budget of the European Communities.

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — I am in favour of the amendment.

*(Parliament rejected Amendment No 2 and adopted the third, then the fourth, fifth and sixth indents)*

**President.** — On the seventh indent, I have Amendment No 3, tabled by Mr Früh and others, seeking to replace this indent with a new text:

— concerned at the damage done to the image of the Community by irregularities and frauds in the EAGGF sphere.

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — I am in favour of the amendment.

*(Parliament adopted in succession Amendment No 3, the eighth indent of the preamble and paragraphs 1 to 5)*

**President.** — After paragraph 5, I have Amendment No 4, by Mr Früh and others, seeking to insert the following paragraph:

5a. Therefore invites the Commission to improve the forecasting instruments it uses in drawing up the preliminary draft budget.

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — I am in favour.

*(Parliament adopted Amendment No 4)*

**President.** — On paragraph 6, I have Amendment No 5, by Mr Früh and others, seeking to replace this paragraph with the following text:

6. Invites the Commission and the Council to adopt a pricing policy which takes into account the need both to avoid imbalances on agricultural markets and to ensure a fair income for farmers, particularly in view of the fall in farmers' income in 1979.

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — I am in some difficulty here, Mr President. I can accept the bulk of the amendment, but cannot accept the words after 'farmers' in the English text. They refer to a fall in income in 1979 which is not relevant to the actual report. In other words, I can accept the amendment up to the words 'farmers' in the English text, but not the last phrase.

*(Parliament adopted the first part of Amendment No 5, rejected the second and adopted paragraphs 7 and 8)*

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**President.** — On paragraph 9, I have Amendment No 6, by Mr Früh, seeking to replace this paragraph with the following text:

9. Invites the Commission to study the cost-effectiveness of intervention on the agricultural markets in order to ensure that the cost to the public is kept as low as possible.

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — I am in favour.

*(Parliament adopted Amendment No 6)*

**President.** — On paragraph 10, I have Amendment No 7, by Mr Früh and others, seeking to amend this paragraph as follows:

10. Asks its Committee on Budgetary Control, in conjunction with the Committee on Agriculture, to report on . . . (rest unchanged).

What is the rapporteur's position?

**Mr Battersby, rapporteur.** — The rapporteur is completely against this amendment, Mr President, because it would only split the responsibility of the committee and dilute the power of the Committee on Budgetary Control.

*(Parliament adopted in succession Amendment No 7, paragraph 10, thus modified, and paragraphs 11 to 17.)*

**President.** — I now put to the vote the motion for a resolution as a whole, incorporating the amendments which have been adopted.

The resolution as amended is adopted.<sup>1</sup>

I shall now interrupt the voting procedure for a short period so that an announcement can be made.

IN THE CHAIR: MR PFLIMLIN

*Vice-President*

### 13. Holding of an additional part-session

**President.** — Ladies and gentlemen, in reply to questions from a number of Members on the subject of a decision taken yesterday by the enlarged Bureau, I announced at the beginning of this sitting that I should make a statement during the course of the morning.

During its meeting yesterday, the enlarged Bureau discussed at length the problems arising from the large number of items that we have to deal with before the summer recess. A number of different solutions were studied. Mindful of the need to organize the Parliament's work in such a way as to enable it to carry out its Treaty obligations with regard to adopting opinions and to deal with all the other problems that have to be settled before the recess, the enlarged Bureau, by a unanimous decision of those of its members present, decided, pursuant to Rule 1(4), to convene the Parliament at Luxembourg on 26 and 27 June.

I call Mr Walter.

**Mr Walter.** — (D) Mr President, thank you for giving me the opportunity to say something about this decision of the Bureau; I shall also be making a proposal regarding the Rules of Procedure. I do not at this time wish to discuss in detail, Mr President, whether it is reasonable in view of the workload of staff and Members to hold a special part-session. Nor do I wish to discuss here whether it might not be better for us to think about whether the groups should reduce the amount of time spent making speeches instead of arranging special part-sessions. I should only like to point out — and this is what concerns me, Mr President — that Article 1(4), to which the Bureau refers in its decision, only enables the Bureau to postpone part-sessions that have already been agreed. Article 1(4) does not enable the Bureau to decide for Parliament on special part-sessions, that is additional part-sessions. In the case of additional meetings it is necessary to apply Article 1(5) of our Rules of Procedure, whereby extraordinary meetings of Parliament may be convened in three ways: there must be at least 206 Members of the House in favour, or the initiative must be taken either by the Council or the Commission. Regrettably, Mr President, none of these three conditions have been met in this case. I expect a Bureau to direct the work of this House and therefore the Bureau must think about how the unfinished business can be dealt with. I am afraid though that with the decision that has now been taken the Bureau is not directing the work of the House but, in disregarding the Rules of Procedure, which lay down clear provisions for such cases, is patronizing the House.

*(Applause from various quarters)*

With this decision the Bureau is, as I see it, running the risk of holding a meeting in Luxembourg which will be taking place illegally. Consequently, the Bureau is also running the risk of seeing decisions taken in Luxembourg which cannot be valid in law. In order to avoid this danger, I hereby propose that you, Mr President, this morning call for a vote in accordance with Rule 1(5) of our Rules of Procedure to establish whether this morning at least 206 Members of this

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**Walter**

House are in favour of the special part-session in Luxembourg proposed by the Bureau.

*(Applause from various quarters)*

**President.** — I call Mr Adam.

**Mr Adam.** — Mr President, I can well understand, in view of the fact that we have been so slow in revising the rules of Parliament, that the log-jam in Parliament's work caused the enlarged Bureau to make its decision of yesterday. One of the results of that decision, however, is that the Committee on Energy and Research, which was due to meet on those days, will not now be able to meet. There has been no announcement about that. The Committee on Energy and Research is having a special meeting next week in order to try to catch up with some of our work, but the result of the enlarged Bureau's decision yesterday is that we are now going to have to try to find some additional days for a further special committee meeting in order to keep up with the work we have already got.

Did the enlarged Bureau consider that point when making its decision?

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

**Mr von der Vring.** — *(D)* Mr President, there is a motion regarding the Rules of Procedure and I ask you to move to a vote.

**President.** — As Mr Walter very rightly pointed out a moment ago, the Chair is responsible for the conduct of debates.

I call Mr Battersby.

**Mr Battersby.** — Mr President, this is a formality, but I think that in our haste we have omitted to vote on certain parts of Document 1-150/80.

This report is in five sections . . .

**President.** — As I stated a few moments ago, I have taken the chair to make a statement which, of course, does not figure in the agenda.

I shall now reply to the legal objections raised by Mr Walter. The relevant provision of the Rules of Procedure is to be found in Rule 1(4):

The enlarged Bureau may alter the duration of such adjournments by a reasoned decision of a majority of its members taken at least two weeks before the date previously fixed by Parliament for resuming the session;

the date of resumption shall not, however, be postponed for more than two weeks.

*(Applause)*

In order to throw some light on this discussion, I must point out that, pursuant to Article 139 of the Treaty, the Assembly holds a single annual session, which covers the entire year. In conformity with this provision of the Treaty, the Rules of Procedure of Parliament lay down that Parliament itself determines the duration of adjournments of this annual session. Consequently, Parliament holds part-sessions and so, strictly speaking, there can be no question of different 'sessions', only of 'parts' of the single annual session, held according to a calendar which also takes account of the dates for convening Parliament which result from the Treaties. According to Rule 1(4), it is for the enlarged Bureau to alter, if necessary, the duration of adjournments of the annual session and therefore to convene the Parliament, if need be, for an additional part-session, on condition that its decision is a reasoned one. I consider that in this case it is indeed amply justified by our excessive work-load, of which we are all aware. What is at stake is the efficiency of this Assembly in the particularly difficult conditions with which we are at present confronted. Moreover, the decision has to be taken at least two weeks before the opening date of the part-session already fixed — that is to say, the June part-session.

In case some of you still entertain some doubts on the matter, I might add that this interpretation of the Treaties and of the Rules of Procedure has been regularly adhered to by this Parliament, which, in addition, can plead a decision of the Court of Justice of 12 May 1964 confirming that the session of Parliament covers the entire year. Parliament has acknowledged and confirmed this interpretation on several occasions, the latest of which, on 14 February 1980, was connected with the part-session devoted to the treatment of agricultural problems.

Consequently, the decision taken yesterday by the enlarged Bureau appears to me to be fully justified: it is in conformity with the law, with the spirit of the Treaties, with our Rules of Procedure and with a decision of the Court of Justice. Clearly, this decision will be maintained.

IN THE CHAIR: MR ROGERS

*Vice-president*

14. *Votes (contd.)*

**President.** — We now come to the Filippi report.

I call Mr Aigner.

**Mr Aigner.** — (D) Mr President, I am somewhat surprised that we are pulling the Battersby report apart in this way at the voting stage. The discharge decisions that we have to take are the only decisions which Parliament has to take quite independently and if discharge were not given this would mean that the Commission would have to resign. I am therefore surprised that the Bureau is so ill-prepared that the discharge decisions are not yet being put to a vote. Four decisions still have to be voted on, Mr President. I cannot understand why you are referring to the agenda and preferring to deal with other matters rather than putting these decisions to a vote now.

(Applause from various quarters)

**President.** — These documents were decided together with the resolution that was voted.

**Mr Aigner.** — (D) Mr President, what kind of interpretation of the law is that? I am really amazed how this matter has been prepared by the Bureau. We need a full vote of the House on each single decision. This is expressly stated at the beginning of the Battersby report on the first page. Here the Bureau does not even seem to be taking any notice of Parliament's first right. This is terrible!

**President.** — I have been advised that there is one resolution, but then there are a series of discharges attached to that resolution.

Let us now proceed to the Filippi report.

**Mr Aigner.** — (D) Mr President, with regard to the Battersby report you have only put a resolution to the vote. You must, however, let decisions be adopted, namely the discharge decisions. This is laid down in the Treaty and the budget regulations. There are still four decisions which must be put to the vote here.

**President.** — Mr Aigner, I have the document in front of me. It contains a motion for a resolution on which we have voted. There are various annexes related to the motion for a resolution.

I also understand that if there is a request to vote on the discharges individually and separately, we can also do that. Is that what you want?

**Mr Aigner.** — (D) But of course, Mr President, I only said that each individual decision must be voted on. The decisions are not an annex to a resolution but are to be adopted independently of it.

**President.** — I call Mr Kellett-Bowman.

**Mr Kellett-Bowman.** — Mr President, I wonder if I could bring to your attention that we have voted on the motion for a resolution. The top of the page shows that it only covers IV. What Mr Aigner is asking the House to do is to deal with I, II, III and V.

(Parliament adopted in succession the decisions I, II, III and V contained in Doc. 1-150/80)<sup>1</sup>

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**President.** — I put to the vote the motion for a resolution in the *Filippi report* (Doc. 1-137/80): *Eighth financial report of the EAGGF (Guidance Section)*.

The resolution is adopted.<sup>1</sup>

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**President.** — We now come to the motion for a resolution in the *report by Mr Kellett-Bowman* (Doc. 1-726/79): *Discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions*.

I call Mr Kellett-Bowman.

**Mr Kellett-Bowman, rapporteur.** — Mr President, last night I gave notice of a small amendment to the motion for a resolution in paragraph 1. Time has passed since this report was prepared, and it is probably kinder to give the Commission a little longer to reply.

I propose to substitute 1 November for 1 July in the penultimate line of paragraph 1 to the motion for a resolution. I do not, however, propose to amend the explanatory statement, as suggested last night by Mr Tugendhat, since the wording used was drawn from his own report on the preliminary draft budget for 1980, Vol. 7a, page 448.

**President.** — I will ask the House to decide whether I may put this oral amendment to the vote.

Are there any objections?

It is so decided.

(Parliament adopted this oral amendment)

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**President**

I put to the vote the amendmend motion for a resolution.

The resolution so amended is adopted<sup>1</sup>.

I put the proposed decision to the vote.

The discharge is granted.<sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Simonnet report (Doc. 1-70/80): Administrative expenditure of Parliament in 1979*.

The resolution is adopted.<sup>1</sup>

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**President.** — We shall now consider the motion for a resolution contained in the *Dankert report (Doc. 1-198/80): Carry-over appropriations from 1979 to 1980*.

*(Parliament adopted the preamble)*

I have two amendments:

— Amendment No 1, tabled by Mr Adonnino on behalf of the Group of the European People's Party (C-D Group) and seeking to replace paragraphs 3 and 4 with the following text:

3. Instructs its Committee on Budgets to examine this list with the Commission and to forward its opinion to the Council before 31 May 1980;

— Amendment No 2, tabled by Mr Simonnet and seeking to replace paragraphs 1 to 4 with the following text:

1. Approves the carry-overs of appropriations proposed by the Commission with the exception of Articles 2550 and 940.

These amendments are mutually exclusive.

I call Mr Simonnet.

**Mr Simonnet.** — (F) Mr President, I am sorry, but yesterday I was present throughout the sitting and not once did the President call upon the authors of amendments to speak. I do not wish to reproach you for the chairing error of your predecessor, but I find that I was not able to defend before the Assembly this amendment which was, however, submitted in time and while I was absent.

However, Mr President, I want to make the Assembly's work easier and therefore withdraw my Amendment No 2 in favour of Amendment No 1.

*(Laughter)*

**President.** — Mr Simonnet, speaking-time is allocated to the groups. It is not for the President to decide who is going to speak on behalf of the groups.

What is the rapporteur's position on Amendment No 1?

**Mr Dankert, rapporteur.** — Mr President, last night in the debate I said that I had an open mind on that amendment because it leaves paragraph 1 untouched. As rapporteur, speaking on behalf of the Committee on Budgets, I have to say that it is contradictory to the position adopted by the Committee on Budgets, so that I have to advise against its acceptance.

*(Parliament adopted in succession paragraphs 1 and 2 and Amendment No 1)*

**President.** — I now put to the vote the motion for a resolution as a whole, incorporating the amendment adopted.

The resolution so amended is adopted<sup>1</sup>.

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**President.** — I put to the vote the motion for a resolution contained in the *Dankert report (Doc. 1-197/80): Supplementary provisional twelfths for the Commission*.

The resolution is adopted<sup>1</sup>.

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**President.** — I put to the vote the motion for a resolution contained in the *Woltjer report (Doc. 1-174/80): Reproduction of salmon in the Baltic*.

The resolution is adopted.<sup>1</sup>

<sup>1</sup> OJ C 147 of 16. 6. 1980.



**President.** — We shall now consider the *Provan et al. motion for a resolution (Doc. 1-155/80): Crisis in the fishing industry.*

*(Parliament adopted the preamble and paragraph 1)*

On paragraph 2, I have two amendments tabled by Mrs Le Roux and others on behalf of the French members of the Communist and Allies Group:

— Amendment No 2, seeking to replace subparagraphs (a) and (b) with a new text as follows:

(a) guaranteeing incomes from fishing by establishing guaranteed minimum prices corresponding to production costs and replacing reference prices;

(b) taking action to ensure no imports are admitted below this level;

— Amendment No 1, seeking to insert a new sub-paragraph as follows:

(c) halting the procedures for enlarging the Common Market with the inclusion of Greece, Spain and Portugal, since enlargement would further aggravate the situation of the fishery products market.

What is Mr Provan's position?

**Mr Provan.** — I am against them.

**President.** — I put the first sentence of paragraph 2 to the vote.

The first sentence of paragraph 2 is adopted.

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

*(Parliament adopted subparagraphs (a) and (b), rejected Amendment No 1 and adopted paragraph 3)*

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

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**President.** — I put to the vote the *De Pasquale motion for a resolution (Doc. 1-171/80): Revision of the European Regional Development Fund.*

The resolution is adopted.<sup>1</sup>

**President.** — We shall now consider the *Agnelli et al. motion for a resolution (Doc. 1-177/80): Death of Kampuchean children.*

*(Parliament adopted the four indents of the preamble)*

After the fourth indent, I have Amendment No 5, by Mr Purvis, seeking to insert a new indent:

— convinced that it is much more preferable for such children to be reassimilated in their native culture and climate wherever it is possible to reunite them with relations, even distant ones, who will care for them under the extended family system prevalent in South-East Asia.

What is the author's position?

**Mr Irmer.** — (D) On behalf of Mrs Agnelli, may I state that we agree to this amendment and to all the subsequent amendments by Mr Purvis.

*(Parliament adopted Amendment No 5)*

**President.** — On paragraph 1, I have Amendment No 4 by Mr Purvis, seeking to replace this paragraph with a new text:

1. Calls upon the governments of the Member States to undertake to accept a number of children, to be entrusted to families expressing a desire to look after such children, as a last resort when all reasonable efforts by the international aid organizations to trace caring relatives and reunite families have been exhausted, and to ensure that there is no pecuniary element in the placing of such children and that adopting/fostering families are suitable caring guardians.

*(Parliament adopted Amendment No 4)*

After paragraph 1, I have two amendments by Mr Purvis, each seeking to insert a new paragraph:

— Amendment No 3:

- 1a. Calls on the Kampuchan authorities to cooperate in the tracing and reuniting process so that the time necessary for children to remain in refugee camps can be kept to a minimum, and the chances of successful reuniting be improved.

— Amendment No 2:

- 1b. Calls on the refugee camp administrators to protect children in their charge from the risk of exploitation, while supplying adequate food, clothing and care.

*(Parliament adopted in succession Amendments Nos 3 and 2 and paragraph 2)*

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**President**

On paragraph 3, I have Amendment No 1, by Mr Purvis, seeking to replace this paragraph by a new text:

3. Requests its President to forward this resolution to the Commission, the Council, the governments of the Member States, the representatives of the Thailand and Kampuchean Government authorities and the Directors-General of UNCRA, UNICEF and the International Red Cross.

(Parliament adopted Amendment No 1)

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

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**President.** — I put to the vote the *Pflimlin et al. motion for a resolution (Doc. 1-178/80): Situation of Anatoly Shcharansky*.

The resolution is adopted.<sup>1</sup>

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#### 15. *Situation of refugees in Somalia*

**President.** — The next time is the motion for a resolution tabled by Mr Berkhouwer and others on the wretched situation of refugees in Somalia (Doc. 1-179/80).

I call Mr Irmer, who is deputizing for Mr Berkhouwer.

**Mr Irmer.** — (D) Mr President, first of all there is a humanitarian aspect to this motion. The tragic situation of the refugees in the Horn of Africa is at least as bad as that of the refugees in South-East Asia. It is plainly a duty for us as human beings to help in this situation if possible and we do have the ability to do so.

Secondly, there is also a political aspect to this motion for a resolution which I should like to explain briefly. Somalia is one of the countries associated with us under the Lomé Convention. It is doing all it can to take in these refugees and also to integrate them. Somalia is spending considerable sums of money to make it possible to integrate the refugees and if you are at all familiar with this country's extremely difficult economic situation you will appreciate what it means for such a country beset by these great difficulties to raise considerable sums of money in order to guarantee the refugees some sort of proper shelter and care. Great sacrifices are being made here and

Somalia, like the Sudan too, which has similar problems, expects us, the European Community, to help.

As you know, a few years ago Somalia tried to free itself from the Soviet Union's sphere of influence and Somalia is anxiously waiting for us Europeans to reach out our hand to it and offer our help. Moreover, Somalia is endeavouring to establish democratic conditions inside the country. A few months ago a parliament was set up and this parliament is itself very interested in making contact with our Parliament. For these political reasons too I consider it a matter of urgent necessity that our Community provide the assistance proposed here, and I ask you all to support this motion.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, the Commission welcomes this motion for a resolution and is glad of the opportunity to present some basic information on the current position and future prospects of Community aid to the refugees in Somalia. I will make a distinction between aids already approved and those still in the stage of proposals.

Among those already approved, there is, first, the category of emergency aids under which a cash grant of 3 million EUA has been provided by a decision of 2 October 1978, for emergency supplies to refugees in the Horn of Africa. About 45 % of this amount has been used to buy supplies for the refugees in Somalia. On 19 December 1979 emergency aid of 2 390 000 EUA was allocated for the Somali refugees, and out of this, 2 000 000 EUA are now being used to buy vehicles for the transport of food and other supplies from Somali ports to the refugee camps; the remainder of the amount was allocated for emergency supplies which were delivered by air to Somalia in January 1980. Finally, by a decision of 2 April 1980, an emergency aid of 5 million EUA was allocated as the Community's contribution to UNHCR. As regards food aid, this has been supplied to a total value of 4 million EUA at world market prices. All this has already been sent out, with the exception of the cereals, which are to follow.

It is, moreover, proposed to allocate for the refugees the following amounts of foodstuffs on account of the 1980 allocation: 110 658 tonnes of cereals, 2 000 tonnes of milk powder, 400 tonnes of butteroil. The total value of these is 5 300 000 EUA at world market prices. The Council's decision on the food aid programme for 1980 is expected shortly.

To conclude, the total value of food aid to the refugees in Somalia, from the autumn of 1979 onwards, if

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**Giolitti**

the proposals for the 1980 food aid amounting to 16 800 000 EUA — representing approximately 19 % of the total requirement — are approved, is estimated to amount to some 88 million EUA for a refugee population estimated at 750 000 persons in 1980.

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

I put the motion for a resolution to the vote.

The resolution is adopted.

### 16. *Situation in East Timor*

**President.** — The next item is the motion for a resolution tabled by Mrs Van den Heuvel on behalf of the Socialist Group, on the situation in East Timor (Doc. 1-181/80).

I call Mrs Van den Heuvel.

**Mrs Van den Heuvel.** — (NL) Mr President, in the resolution before this Parliament reference is made to an Amnesty International memorandum drawn up at the 'IGI Conference' — the Conference of the Inter-governmental Group on Indonesia. In this report it is stated that people who appealed to their right to safety under an amnesty proclaimed by the Indonesia authorities in favour of Fretilin, the East Timor Liberation Organization, have been summarily executed without any kind of trial. In East Timor there are 800 prisoners, many of whom on the whole did not take part in the fighting and yet have been held in detention since 1975-1976. In its memorandum Amnesty International quotes sources from the Indonesian church concerning the reign of terror in the country's capital where people who are alleged to have even the slightest connection with Fretilin have been dragged from their homes without their families being given any information about their whereabouts. The situation in the prisons, which, moreover, are situated in places that are kept secret insofar as possible, are indescribable. There is talk of serious malnutrition. Despite that, the inmates of the prisons are forced to do hard labour from 5 o'clock in the morning until 5 o'clock in the evening. The prisoners are forced to sleep close to one another on stone floors. There are many reports of people being tortured to obtain information. In short, this situation must — and I am not exaggerating — remind us Western Europeans of what happened here during the Nazi period. Even outside the prisons people are living in abominable conditions. Famine is rife and the food aid provided by international organizations does not get through to the population at large but the food is sold by Indonesian soldiers on the black market. The nine countries of the European Community must feel responsible for what is happening on this island.

And yet we have close ties with the countries of Asean, of which Indonesia is one of the most important members. We are holding preliminary discussions with the Portuguese government, which formally still has authority over East Timor. So there is every reason for this Parliament to goad the Council and the Commission into action. This resolution urging the provision of direct aid and the exerting of political pressure to set up an international investigation can in the opinion of our Group help to achieve this.

Mr President, when in this Parliament the matter of the urgency of this problem came up for discussion some Members cast doubt on the reliability of the data provided by Amnesty International. They now have the chance to prove that they are right, also to those who, like my Group take the information provided by Amnesty International very seriously on the basis of past experience. An international investigation, the keypoint of this resolution, can show what is really happening in East Timor. I therefore urgently request this Parliament to support this resolution.

### IN THE CHAIR: MR KATZER

#### *Vice-President*

**President.** — I call Mr Habsburg.

**Mr Habsburg.** — (D) Mr President, although as always Mrs Van den Heuvel has made a brilliant contribution to the discussion, I must speak against the resolution, because in my opinion it has not been properly thought out, is not in keeping with the facts of the matter and, furthermore, anticipates proceedings against a State which is a friend and ally of ours and asks our governments to do things which simply cannot be done. Here I should like to take just one example: right at the beginning an Indonesian invasion of this island is referred to, but I would remind you that Timor has always half belonged to Indonesia.

Secondly, it is stated that the Fretilin Movement is a liberation organization. I would strongly question this and point out that Fretilin's reign of terror in Timor after the collapse of the Portuguese régime was such that the Indonesians were received by the majority of the population of Timor as liberators. So on this point too, in my opinion, a false picture has been given.

Finally, we are here calling upon the governments, before any investigation is made, to change their attitude to the United Nations resolution on East Timor and to bring the poor Portuguese as well into the negotiations, even though for a number of years now they have not had the slightest responsibility for East Timor and at best would only be encumbered in their

**Habsburg**

relations with Indonesia. For all these reasons, as it is now no longer possible to refer this resolution to committee, I would ask you to reject it.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, like the previous resolution, this one gives me the opportunity to present some essential information on aid supplied or envisaged for East Timor. On 19 December 1979 it was decided to provide aid to the amount of 50 000 units of account under Article 950 for the on-the-spot purchase and distribution of food, medicaments and maize seeds, and for a seven-member medical team. This programme is now being executed. In response to a request from the ICRC in August 1979, the Commission granted to East Timor 130 tonnes of skimmed-milk powder. It is still not known to what extent East Timor will be able to benefit from the 1980 allocation of skimmed-milk powder by the ICRC. No other direct food aid programme is envisaged, although it is possible that part of the 100 tonnes of skimmed-milk powder destined for the Indonesian Red Cross under the 1980 allocation to LICROS will reach Timor, thanks to the close cooperation between the Indonesian Red Cross and the ICRC in the emergency operations in Timor.

Finally, I want to tell you that a request has been received from the ICRC for financial aid for the continuation of its programme in East Timor. At present, however, no further aid under Article 950 is being considered.

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

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

17. *Liability for defective products*  
(contd)

**President.** — The next item is a resumption of the debate on the Oral Question to the Commission on the directive on liability for defective products (Doc. 1-29/80).

I call Mr Glinne on a point of order.

**Mr Glinne.** — (F) Mr President, in view of the important nature of this matter and the fact that so few Members are present at this time of day, may I, on behalf of 10 members of my group, ask that it be established, in accordance with Rule 33 (3), whether there is a quorum for this motion for a resolution?

**President.** — Mr Glinne, the list of speakers is not yet exhausted. Your request can only be dealt with when it is time to put the matter to the vote.

That moment has not yet arrived.

I call Mr Seal.

**Mr Seal.** — Mr President, I sat through a long debate last night on this particular item and it is a shame that we could not conduct it at a time when more Members were present. In fact the Chamber is still rather empty. Most of the people who have spoken so far have been lawyers, members of the Legal Affairs Committee, and that is rather a shame because this is an item that affects everyone.

I support absolutely the Commission's amended draft, even though it has not accepted the Parliament's view on strict liability. I believe that the manufacturer of a defective product should be directly responsible for the harm which it causes anyone. I feel it is illogical that the purchaser should have no redress for injury or damage caused by defective products unless he can prove negligence. I also feel that responsibility for loss should lie primarily with the person who creates the risk, i.e. the producer. The costs of insuring against the consequences of accidents caused by defective products should be shared among all consumers of that manufacturer's product.

This is an issue which has caused a lot of concern among manufacturers, particularly in the United Kingdom. I feel, however, that they have a point. Perhaps the Commission should examine the possibility of providing a central insurance scheme, funded by the individual Member States' governments. This seems to be one possibility which the Commission has not examined. I feel that the principle of strict liability redresses the difficulties of getting access to scientific and other relevant information experienced by individuals who are compelled to prove fault.

It has been argued in the debate that recent American experience, and particularly the US Uniform Product Liability Act, marks a retreat from the system of strict liability. I feel that this is misleading. First of all, the high compensation awards in the USA will not be repeated in European countries. There are several reasons for this. In the first place, the amounts of compensation awarded by juries in the USA are higher than those likely to be awarded by trial judges in Europe; this is a very important point which certainly has not been brought out. Secondly, the contingency fee system practised in the USA is not permitted in the EEC. Thirdly, the extensive State social services and health care provided in the EEC are lacking in the USA, and that is why compensation there is very high.

<sup>1</sup> OJ C 147 of 16. 6. 1980.

## Seal

I will keep my contribution as brief as possible, but I should like to mention one exception which I think must be examined by the Commission, concerning medical products and medical practitioners. This the Commission should examine and, if necessary, produce a separate directive. I think it is unfair that surgeons and physicians should be constrained; they should not have to wait perhaps 30 years to see whether their surgery or their drugs are absolutely safe, when in the meantime they might have saved many lives.

In conclusion, I feel that, although this is an aspect that must be considered, it is not a sufficient reason for the House to support this motion. I call on the House to reject the motion before it.

**President.** — I call Mr Janssen van Raay.

**Mr Janssen van Raay.** — (NL) Mr President, I have asked to speak again in response to what our colleague in the Legal Affairs Committee, Mr D'Angelosante, of the Communist Group, said yesterday. I am referring to liability, whether it is the manufacturer, who is not at fault, who is responsible or the consumer, who is not responsible either.

My objection to what Mr D'Angelosante said is that he has given the debate certain political overtones by saying that those who want to reject this risk liability are doing so because of the big firms. I emphasized yesterday that the big firms, the multinationals and big national undertakings have insured against this risk.

And where smaller firms are concerned, all I can say is that Mr D'Angelosante is not consistent and is at odds with his colleague in the party, Mr Masulo, who had the time in this respect to jump to the defence of the small firms. Here the situation is clearly inconsistent; before we found the Italian Communists on our side. As far as we are concerned what matters is to protect the countless, the tens of thousands of small firms against risk liability in this respect.

**President.** — I call Mr Irmer.

**Mr Irmer.** — (D) Mr President, my dear colleagues, it is difficult to continue this morning with a debate which began yesterday evening; but I should like to take up a remark made yesterday evening by Mr Sieglerschmidt with regard to Mr Turner. Yesterday, you rightly pointed out, Mr Sieglerschmidt, that Article 100 should not be used in order to procure a temporary, politically desirable effect, because it is dangerous to put back or obstruct the development of the Community as a whole just because one hopes to obtain a short-term advantage here. I also feel from the experiences of this week that such a remark, when addressed to a member of the European Democratic

Group, is particularly justified. But I am surprised that it comes from a member of the Socialist Group, which at the beginning of the week did this very thing — also in order to obtain a short-term political advantage — that is, obstructing the business of this Parliament by playing about with points of procedure. That, however, is a different matter. You, Mr Sieglerschmidt, are doing much the same thing here. You say that the matter should not be discussed yet again, that there is no need to go into what Parliament has already decided, but that, because you agree more with what the Commission is now proposing, things should be left as they are.

Mr Sieglerschmidt, you are undermining the already limited powers which this Parliament has to contribute to legislation. If we have any self-respect at all, we cannot accept that a matter be discussed and decided here in Parliament, that the Commission even says that it is in agreement, and that it then suddenly no longer feels bound, makes changes and puts forward a new proposal. In all such cases we should, as a parliament, make it our practice to insist that the matter be referred back to the Parliament. Here I am not so concerned about the details. Of course these can be argued over. Certainly there has been a lot of justifiable protest against manufacturers also having to be liable for development damages. You said yesterday, all that can be insured against. Yes, of course it can. However, when something is insured against that is also incorporated in the cost and the higher the costs, the less willing the manufacturers will be to innovate; also, the less chance small and medium-sized firms will have of holding their own against competitors.

There is a second feature of the proposal which I regard as unpalatable. Here damages are suddenly introduced, completely against the system, even in cases where there is no negligence. I should like to draw your attention to the fact that an important aspect of any claim for damages is that it fulfils a redress function, that amends are made for an injury suffered by the victim. There is, however, no room for this when it is a matter of absolute liability, i.e. non-negligence-dependent liability. I believe that here we shall, slowly but surely, be coming up against great difficulties if we break down the barriers which national legislators have erected with good reason at some time or other. No one will be prevented from claiming damages under national law, as before, if the manufacturer is negligent; but there is no justification for introducing claims for damages at the European level independently of negligence.

To return, however, to the essential and, I believe, crucial point for this Parliament. What are our rights to have a say in the legislative procedure worth if we allow proposals for legislation to be discussed in this Parliament and then arbitrarily changed by the Commission against the decisions of the Parliament and we no longer are able to discuss the matter again?

**Irmer**

I therefore propose that Parliament — perhaps on the Bureau's initiative or that of the Legal Affairs Committee or on the basis of Rule 25 by means of a motion for a resolution — somehow or other insists that this matter be dealt with, depending on the circumstances, again by the House or by the relevant committee, for that is the only way for us to look after our rights to influence the legislative procedure.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (D) Mr President, ladies and gentlemen, insofar as Rule 33 of the Rules of Procedure is concerned, my honourable colleague Mr Irmer, I should like to state clearly that I am against the improper use of this article from any side. Here though, the offenders are not only on one side of the House. Now to the most important matter which you raised, namely whether the legislative powers of the Parliament are being undermined by the Commission's behaviour. My honourable colleague, Mr Irmer, the situation is that Parliament has exhausted its legislative advisory power and unfortunately, I very much regret to say, has no more powers. As has, however, rightly been said, the Commission has also in other cases availed itself of the opportunity of sticking to its original proposal and not complying with the vote of Parliament. I shall of course not do anything to prevent the Commission from changing its opinion. But the Socialists, who have made a compromise here — I repeat what I said yesterday evening — in order to prevent misuse of Article 100, cannot be blamed for sticking to their position on damages in respect of development risks. To exclude damages in respect of development risks from the liability represents a considerable encroachment upon absolute liability. All the points made on this matter — and that had been discussed in long meetings with the Commission in the old Legal Affairs Committee, as you know, Mr Bange-mann — are, we believe, not convincing. The idea that this would affect industry's willingness to innovate and so on is a familiar one to us, at any rate in the Federal Republic of Germany, from the debates on environmental protection, etc. In our Parliament it will be wrong for the Council to take this path.

Finally, I should like to state clearly that those who want this matter referred back to Parliament must be aware of what they are doing as this will lead to a quite considerable delay in the Council's decision making, even though it is always said that it will not take so long. This will please those producers' associations who are fighting this measure that will benefit consumers, but it will not please the consumers themselves.

**President.** — I call Mr Prout.

**Mr Prout.** — Mr President, first of all I should like to protest at Mr Sieglerschmidt's being given a second bite at the cherry. On a more serious note, I should like to recommend to Parliament a little more intellectual self-discipline. The whole point of the oral question of the Legal Affairs Committee was not that we should rediscuss the substance of the matter. We have no right in this Parliament to rediscuss the substance of the matter, because it was voted on by Parliament in April 1979. The only issue raised by the oral question is the status of a statement made by the Commission to Parliament before the vote was taken. It is purely a constitutional issue.

We are recommending that you accept the Legal Committee's report because this is a matter affecting the rights of this House, and if we acknowledge that point we shall simply be reducing our own powers and our own self-respect. We must use the powers we have. That is what the Legal Affairs Committee's report is about, and I wish people would address themselves to that question.

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

We shall now consider the motion for a resolution tabled by Mr Gillot and others (Doc. 1-120/80).

*(Parliament adopted the preamble and paragraph 1)*

After paragraph 1, I have Amendment No 1, tabled by Mr Prout, on behalf of the European Democratic Group, and Mr Ansquer and inserting the following new paragraph:

1a. Requests the Commission to withdraw its proposal.

*(Parliament adopted consecutively Amendment No 1 and paragraphs 2 and 3)*

I put the motion for a resolution as a whole, thus amended, to the vote.

The resolution is adopted.<sup>1</sup>

#### 18. Membership of committees

**President.** — I have received from the European Democratic Group a request for the appointment of

— Miss Roberts to the Committee on Social Affairs and Employment, to replace Mr Spicer; and

— Mr Johnson and Mr Welsh to the Committee on Youth, Culture, Education, Information and Sport, to replace Sir David Nicolson and Mr Spicer.

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**President**

Are there any objections?

These appointments are ratified.

### 19. *Colouring matters in foodstuffs*

**President.** — The next item is the report by Mrs Maij-Weggen (Doc. 1-834/79), on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council (Doc. 1-273/79) for a directive amending for the seventh time the Directive of 23 October 1962 on the approximation of the regulations of the Member States concerning the colouring matters authorized for use in foodstuffs intended for human consumption.

I call Mrs Maij-Weggen.

**Mrs Maij-Weggen, rapporteur.** — (NL) Mr President, the increasing 'chemicalization' of our food, by which I mean the addition of chemical flavouring, colouring and olfactory agents to our foodstuffs, is a matter which is being followed with great concern by an increasing number of people. It is therefore a good thing that the nature and use of these chemical substances is being investigated within the framework of the European Community and that, where necessary, certain substances are being banned. This is possible as a result of the 1962 Directive on the approximation of the rules of the Member States concerning the colouring matters authorized for use in foodstuffs intended for human consumption. On this subject the European Community's Scientific Committee for Foodstuffs makes recommendations to us. This seventh amendment of the 1962 directive is concerned with four substances. Two are diluents for colouring matters — gum arabic and carrageenan; two are colouring matters — Yellow G2 and Brilliant Blue FCF. The committee on behalf of which I am speaking does not see the provisional inclusion of carrageenan and gum arabic in the list of colouring matters as presenting any problems. They are chemical colouring matters, but natural ones, and already appear on other Community lists.

According to a recent investigation by the United Nations' World Health Organization gum arabic has marked allergenic properties. In this connection we would point out that allergic reactions in human beings must not be underestimated. We therefore also ask the European Commission to make a more detailed investigation of these allergenic properties. The parliamentary committee considers that this substance can be definitively approved when a definite answer has been obtained. The European Commission's proposal to ban the colouring matter Yellow G2 as soon as possible is wholeheartedly supported by

the parliamentary committee. Investigations have shown that this substance is much more poisonous than was for a longtime thought. Just half a milligramme of this substance can cause toxic reactions in adults; children are able to tolerate far less of this colouring matter. Indeed the Committee on the Environment, Public Health and Consumer Protection warned against this substance three years ago.

In this connection I should like to refer to paragraph 4 of the resolution on a report of 15 December 1977 by my fellow party member Mr Hahn. This report dealt with the sixth amendment of this directive. We support the banning of this substance as from 1 July. We are glad that the Commission has now come over to our way of thinking but I do think that this should have happened much earlier and we feel that the Commission should in future take more notice of warnings from the parliamentary committee. Lastly, the committee disagrees with the Commission's proposal and cannot deliver a favourable opinion with regard to the definitive approval of the colouring matter Brilliant Blue FCF. Indeed, in most countries of the European Community use of this colouring matter is not permitted. Only in Denmark, Ireland and the United Kingdom is this substance used to a limited extent. It is known and has also been proved that Brilliant Blue is carcinogenic when injected subcutaneously. This was recently confirmed by the International Agency for Cancer Research. The Scientific Committee for Foodstuffs has, however, found that, when fed to healthy laboratory animals, the substance is not absorbed by the alimentary canal. The Commission's proposal was based on these findings. The parliamentary committee wonders, however, what the effect of this substance is when it is consumed by humans, particularly humans who are not healthy. Those who know something about human physiology — and I have some specialist knowledge in that field — know that the rate of intestinal absorption in humans can increase quite a bit in different situations, for instance in the case of people suffering from infections or irritations of the intestinal lining, but also if they are taking certain medicines or even eating certain foods. Against this background the parliamentary committee considers that care must be shown with this substance. Chemical substances which are carcinogenic when injected subcutaneously ought preferably — in the view of the parliamentary committee — to be excluded from our foodstuffs. If that is not possible, the use of such substances must insofar as possible be made subject to strict rules. The parliamentary committee therefore requests more technical and economic information about this substance. We are against unrestricted approval but we are prepared, if a pressing need for this is demonstrated, to allow restricted use of the substance.

Mr President, in connection with the above considerations the parliamentary committee urges the Commission, when submitting proposals of this kind in the future, not to confine itself to toxicological factors but

**Maij-Weggen**

also to take account of allergy factors and technical and economic arguments as well, since any of these factors can play an important, if not a decisive, role, especially in dubious cases.

I will end with the remark with which I began: the increasing 'chemicalization' of our food is a subject which is being watched with great concern by an increasing number of people. We cannot be careful enough with these substances. Ultimately, it is the health of our citizens that is at stake, something that we have stressed in our report. The report is supported by the overwhelming majority of the parliamentary committee and I hope and expect that the whole Parliament will support this opinion.

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

**Mr Sherlock.** — Mr President, at this time of week, at this time of day it behoves me to be brief. I can only say that the facts quoted by Mrs Maij-Weggen are not facts established by any reputable scientific standards. They come, I think, almost exclusively from a fund of very dubious research.

The cancers that have been produced have been produced exclusively by subcutaneous injection and have no relation whatsoever to any substance administered orally. It is an acient series and a very small series as well.

This is scaremongering — scaremongering of the very worst type — trying to take away what has been proved as well as it is scientifically possible for our Community's Scientific Committee for Food to furnish proof. It is the 'ban everything attitude' being applied to this innocent substance.

**President.** — I call Mr Newton Dunn.

**Mr Newton Dunn.** — Mr President, I wish to devote my remarks to the colour 'brilliant blue FCF' and I want to make three brief points about it.

First of all, it ought to be explained, since the rapporteur has not already done so, that it is used in a wide variety of products — canned vegetables and fruit, soft drinks, confectionery, flour sponges and jams. It has been used in Denmark, Ireland and the UK and has been consumed throughout the Community in goods exported from those three countries, where they have been manufactured.

Mr President, the public is fond of colours. It likes all sorts of colours, and it is not for us, as puritan Members, to deny them the right to have colours if they like them, provided they are safe.

Is 'brilliant blue' safe? It is very safe. It has been traditionally used in those three countries I mentioned for a long period; the Commission gave them temporary permission to go on using it while it investigated the situation, and it has now stated in its proposal for a directive that it is fully satisfied 'brilliant blue' is safe and proposes to transfer it to the list of fully approved materials.

In the Official Journal of 7 May, the Scientific Committee for Foods states that 'the use of this colouring matter is toxologically acceptable'. In other words, it has been thoroughly tested and fully accepted as safe.

Now the rapporteur remarked — and I was absolutely astonished to hear this — that we have to keep chemicals out of our lives and that only natural things are good. Let me just remind her that there are many very poisonous natural substances; we would not want to include those. Equally, there are many safe chemicals that do us all good, such as medicines and drugs. To make such a ridiculous generalization does not help anybody at all.

Secondly, my colleague Dr Sherlock has dealt with the cancer scare, which he, as a doctor, knows full well about. The facts as presented by Mrs Maij-Weggen are incorrect.

Thirdly, I have to refer to the rapporteur's report. Rule 42(2) of the Rules of Procedure reads: 'The report shall state the result of the vote taken as a whole. If the committee is not unanimous, the report shall also state the views of the minority'. In the committee, the vote was not unanimous. I requested that the minority view be included in the final report. Under pressure the rapporteur agreed. The committee chairman, who unfortunately is not here, agreed that it would be included. There is no mention, Mr President, of the minority view. The minority view is that the material is safe, and I can only assume that the rapporteur wishes to conceal the facts. I formally move my amendment, No 1, to approve the Commission's original proposal in full.

In conclusion, Mr President, the material is safe; it is one of the most tested colours. We should be consistent and either ban all colours or allow colours that are safe. I therefore urge this House to support the Commission's original proposal.

**President.** — I call Mrs Boserup.

**Mrs Boserup.** — (DK) Mr President, ladies and gentlemen, I absolutely agree with the rapporteur when she says in paragraph 1 of her motion for a resolution that the use of chemical colouring matters in foodstuffs should be restricted as far as possible. Unfortunately, the rest of her motion for a resolution does not match this fine sentiment.



## Boserup

The use of technology and research by capitalism in its advanced forms has entailed a great number of problems which are only gradually coming to the surface. One of these is the risk involved in the addition of useless foreign substances to foodstuffs. They are useless in the sense that they have no nutritive value. Their only purpose is to make the product look more attractive, in order to increase sales and profits.

From time to time, evidence is produced that one colouring agent or another is harmful, and after prolonged wrangling it is then banned; but far too many colouring matters are still permitted, although doubts have been raised as to their safety. I must therefore return to the controversial 'brilliant blue'. Here we face a fundamental question: on whom is the burden of proof? Does the consumer have to prove that a substance is harmful for it to be banned? Or should the manufacturer prove that the substance is safe before he is permitted to use it? If there is doubt, who is to be given the benefit? This report consistently gives the manufacturers the benefit of the doubt concerning brilliant blue, and they may continue to use a substance which has been called into question. This is indefensible. I take the view that all colouring of foodstuffs should be banned, and as a first step we demand that the slightest doubts as to the safety of an additive should result in at least a temporary ban.

The Commission's proposal makes no concessions to this desire to protect the consumer. It would finally include brilliant blue in the positive list. In doing so, it is gratuitously bowing to the manufacturer's wishes. The substance is currently banned in many EEC countries, in Sweden and Norway, which all get on very well without it. If this proposal is adopted, it will be impossible for a more progressive Danish government — which cannot be entirely ruled out — to ban the substance. Denmark will then have relinquished yet another slice of its autonomy.

I would refer to the discussions within the Economic and Social Committee, where there was also a large minority in favour of deleting brilliant blue from the positive list. There is reason to suspect that the substance is carcinogenic. Animal experiments have shown that it is, and it should therefore be banned, for surely the innocent consumer is not also to be used as a guinea-pig? The report is prepared to allow the use of the substance in limited quantities if technically and economically necessary. Necessary for whom? The manufacturers can always claim that its use is economically necessary, but it does not have to be necessary to the consumer or for nutrition.

The Danish consumer movement, together with environmental groups, is fighting a war of attrition against colouring matters in foodstuffs. We in the Socialist People's Party support them in this struggle and are therefore bound to recommend rejection of this report, which allows the restricted use of brilliant blue.

**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 for the excellent standard of her report and for her dedication in tackling this highly complex technical subject.

We find the report's conclusions reasonable and, for its part, the Commission will make every effort, so far as its resources permit, to give effect quickly to its recommendations.

The proposal should be looked at in the context of an overall review of the safety and the technological and economic usefulness of colorants in food. The directive on colouring matters in foodstuffs did not, until now, specify the products for which the use of colouring substances should be allowed. Parliament has therefore not been able to discuss this question in specific terms.

It is a question that generates emotional reactions, both among those who regard this practice as a deception of the consumer and among those who consider a moderate amount of artificial colouring an appropriate way of making foodstuffs more attractive.

I can well understand the reasons why some among you think that the whole complex of problems should be examined in connection with the use of 'brilliant blue FCF'. If other permitted blue colorants did not exist, one might wonder why, suddenly, the food industry needs blue colouring substances.

This new colorant, with improved technical properties, will no doubt partly supersede some of the blue colouring matters on the list of authorized products. What the Commission is concerned about is simply that all the Member States should be able to use it in the same way, especially as the Scientific Committee for Food, our advisory body in the area of toxicology, has stated that there is no safety reason why this colorant should not be included in the Community list.

The Committee has examined all the information contained in the report put before you, and it concluded in its light that there is nothing there to suggest that 'brilliant blue FCF' should not be used in foodstuffs. The Commission agrees with the Scientific Committee's assessment and interpretation of the data on the safety aspect of the use of these products in food.

The Commission, moreover, proposes to strike off 'yellow 2G', on which the Committee expressed doubts that no one has been able to disperse. It is perfectly natural that in these circumstances the Commission should act rapidly. It is just as reasonable for the Commission not to delay unnecessarily in adding unexceptionable colouring matters to its list as

**Giolitti**

it is to strike off those on which its advisers have expressed serious doubts.

In the circumstances, therefore, the Commission cannot accept the amendment proposed by Parliament, which it regards as unnecessarily restrictive. The Commission, however, fully agrees with Parliament that the use of any additive should be subject to periodic review to see whether particular circumstances of new information make a change in the existing regulation necessary.

I believe that the differences between us are concerned more with details than with principles. The Commission has carefully considered all the suggestions put forward in the motion for a resolution and agrees with its basic tenets. Indeed, the objectives pursued by Parliament and the Commission are identical: only safe food additives may be allowed and only subject to conditions that make technological and economical sense. The consumer, moreover, must be adequately informed of the components of food products so that he can make his choices in full knowledge of the facts.

It was in this conviction that the Commission proposed in 1976 that the presence and the name of colouring substances should be indicated on food products. At the time the Council found itself unable to adopt this proposal, but the Commission continued with its efforts to persuade the Member States that this information should be made available to the consumer.

Finally, Mr President, as regards the other four amendments, the Commission supports them.

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

Before we consider the motion for a resolution, we must first deal with amendments to the proposal for a directive.

On Article 1(1), I have Amendment No 2, tabled by Mr Sherlock on behalf of the European Democratic Group and reinstating the Commission's text.

What is the rapporteur's position?

**Mrs Maij-Weggen, rapporteur.** — (NL) Mr President, I wanted to say something else about the remarks made by Mr Newton Dunn. I did not say that I am against all chemical substances, only that I am against all substances which are toxic and whose toxicity is in doubt.

Secondly, Mr Newton Dunn said that I agreed only under strong pressure to the inclusion of a remark to the effect that there was a minority on the committee which would not be able to endorse the resolution. That is not true either. I faithfully said and also asked the Secretariat to include the minority viewpoint. I

now see that this has not happened; there must have been a misunderstanding in the Secretariat. In fact in the parliamentary committee there was no discussion at all of this matter: in absolute good faith I agreed to this and also immediately asked the Secretariat to do this.

In connection with Amendment No 1 I would further point out that, if we accept this, also all recommendations by which the Commission — as it says — sets such great store, will be dropped, and that — I must say on behalf of the majority of the parliamentary committee — would be particularly regrettable. I must therefore reject the 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.

We shall now consider the motion for a resolution.

*(Parliament adopted the first two indents of the preamble)*

After the second indent of the preamble, I have Amendment No 1, tabled by Mr Newton Dunn and Miss Hooper and replacing the text of the resolution with the following:

Approves the Commission's proposal in full.

What is the rapporteur's position?

**Mrs Maij-Weggen, rapporteur.** — (NL) The content of the text is in fact the same as that of the first amendment and I must therefore reject this too.

*(Parliament rejected Amendment No 1 and then adopted the third indent of the preamble and paragraphs 1 to 5)*

**President.** — On paragraph 6, I have Amendment No 3, tabled by Mr Sherlock on behalf of the European Democratic Group and rewording this paragraph as follows:

6. Accepts the continued use of Brilliant Blue in food-stuffs, given the favourable opinion of the Scientific Committee for Food.

What is the rapporteur's position?

**Mrs Maij-Weggen, rapporteur.** — (NL) Mr President, I must also reject this amendment as its context is the same as that of the previous amendment.

*(Parliament rejected Amendment No 3 and adopted paragraph 6)*

**President.** — On paragraph 7, I have Amendment No 4, tabled by Mr Sherlock on behalf of the European Democratic Group and rewording this paragraph as follows:

7. Asks the Commission to keep it informed fully of any further research on this substance and to submit any consequential amendments which might become necessary.

What is the rapporteur's position?

**Mrs Majj-Weggen, rapporteur.** — (NL) Mr President, I will adopt Amendment No 4 if it is not inserted in place of paragraph 7 but is added between paragraph 7 and paragraph 8.

If it is inserted instead of paragraph 7, then I must reject it.

*(Parliament rejected Amendment No 4 and adopted consecutively paragraph 7 and paragraphs 8 to 11)*

**President.** — I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

## 20. Health problems affecting intra-Community trade in meat

**President.** — The next item is the report by Mr Combe (Doc. 1-36/80), on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council (Doc. 460/78) for a regulation on health problems affecting intra-Community trade in fresh meat and fresh poultrymeat which has been minced, ground or similarly chopped with or without the addition of other foodstuffs, additives and condiments.

I call Mr Combe.

**Mr Combe, rapporteur.** — (F) Mr President, the Committee on the Environment, Public Health and Consumer Protection has studied very seriously the proposal for a regulation presented to us. It observed that it was far from obvious that this piece of Community legislation would be in the interest of European consumers. Our committee noted in particular that there was not adequate demand for this kind of meat within the Community, that the fact it is minced in advance does not enable the consumer to satisfy

himself as to the quality of the meat and that evidently the transportation, particularly over a long distance, can only dangerously detract from the guarantees as regards hygiene, and it therefore unanimously asks the Commission to withdraw its proposal. I call upon my parliamentary colleagues to follow the committee in this matter.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, I must express the Commission's regret at the negative advice of the committee in respect of this proposal. Thousands of tonnes of meat are being processed and traded every year in the Member States as minced meat, a production which is actually increasing rapidly and substantially. Despite this fact, trade between Member States is frustrated by national rules, including those governing health and hygiene, which often prohibit imports.

I would like to point out that the Commission has acted in this case on the basis of Council directives which seek to find a solution to the problems arising in intra-Community trade in minced meat and minced meat products.

Our proposal provides for trade in that product between Member States in accordance with very strict hygienic conditions fully ensuring the safety of consumers, since the product must be frozen immediately after it has been produced. In fact, in the open air, and without freezing, minced meat very rapidly deteriorates. It is therefore in the frozen form that trade in this product is developing nationally, despite the use of the words 'fresh meat' in the title of the basic directive, which includes cold treated meat in the definition of 'fresh'.

When freezing did not exist, minced meat was produced on the spot, usually by the butcher in front of the purchaser, to avoid all health risks. Therefore, Member States prohibited its importation. And this prohibition is still maintained in most Member States — for example, in France, Germany, Italy and Belgium.

Thanks to technological evolution and by virtue of freezing, it has been possible for a national trade in minced meat to be developed. It is a new product which has progressively conquered an important part of the internal market of Member States. It constitutes 15-20 % of the total consumption of beef in Germany and the United Kingdom. In France, the percentage is 8-10 %, but consumption has been increasing at approximately 20 % per year during recent years because of the popularity of the hamburger. It is, therefore, a type of production in full development. There is no reason for intra-Community trade to

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**Burke**

continue to be handicapped by the absence of harmonization.

A negative advice constitutes encouragement to maintain the present prohibitions in intra-Community trade, and I therefore with respect strongly recommend Parliament to agree to our proposal.

**President.** — I call Mr Combe.

**Mr Combe, rapporteur.** — (F) Mr President, I should like to clarify one point. In actual fact, the directive is concerned with fresh meat. If it were a matter of frozen meat, the problem would be completely different, but the guarantee of consumer interests is not covered by the directive proposed to us. In that case all the Commission would have to do would be to revise a directive on frozen meat, as it has to be subject to quite specific provisions and, above all, the consumer must be aware, at the moment of purchase, whether the product in question is frozen or not. This makes a lot of difference.

This is why I think that on behalf of the committee I must maintain our opinion in the form in which it is expressed and I ask the Assembly to support it. It will be up to the Commission to present another directive to us dealing with the freezing of meat and transportation of frozen meat. That is something completely different.

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

I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

## 21. VAT and excise duty on ships' stores

**President.** — The next item is the report by Mr Nyborg (Doc. 1-42/80), on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-739/79) for a directive on the Community value-added tax and excise duty applicable to the stores of vessels, aircraft and international trains.

I call Mr Nyborg.

**Mr Nyborg, rapporteur.** — (DK) Mr President, I am glad of the opportunity to speak on this matter, for which I have been waiting since five o'clock yesterday afternoon.

It should have been possible to submit this report without debate, but when you have heard what I have to say you will realize why this was not done. The European Parliament has traditionally taken the view that customs and excise duties should not be levied on goods actually consumed on board international means of transport. The 7th VAT Directive shares this view. The purpose of this proposal is to lay down detailed provisions for the application of the general exemption embodied in the VAT Directive. The primary aim of this exemption is to avoid putting international transport undertakings established within the Community at a competitive disadvantage relative to similar non-Community undertakings. It is also a convention that goods sold in international waters, for example, are not subject to duty and tax, since conflicts would inevitably arise as to the country entitled to receive the proceeds.

The Committee on Economic and Monetary Affairs considered that there should be the closest possible coordination of exemptions from customs duty, VAT and excise duty. The goods should either be exempt from all of them, or not exempt at all. If the various measures cannot thus be brought into line, difficulties will arise in applying them. The Committee feels that in its proposals the Commission has gone as far as it can towards a uniform system at this stage.

The second point which the committee wished to see Parliament emphasize in its resolution is a request to the Member States to accept common rules on exemption from excise duty, although the rules on excise duties in general have not yet been harmonized. For there is no point in applying uniform rules for exemption from VAT without simultaneously agreeing on common rules for exemption from excise duty. To avoid misunderstandings, I should like to stress that this proposal only covers goods actually consumed during the voyage. It has nothing to do with the sale of goods in tax-free shops for subsequent consumption elsewhere. As we heard in our debate on the previous item, we shall be able to return to this point later.

Up to that point the committee agreed. Five of its members were then unable to vote for the report because of the wording of paragraph 3 in the motion for a resolution, in which the Committee on Economic and Monetary Affairs proposes that goods consumed on board private and military vessels and aircraft should not be duty-free. I must confess that this paragraph does not reflect my own opinion, but as rapporteur, I find it difficult to oppose the majority in the committee. I myself am sceptical about this paragraph for two reasons. The first is of a technical nature: the exclusion of private vessels and aircraft will cause a flood of problems of definition and interpretation, out of all proportion to the object to be achieved. This distinction cannot be applied in practice. The second is a matter of consistency: the 7th VAT Directive expressly states that victuals for naval vessels, etc., should be exempt from VAT, and it is therefore not a

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**Nyborg**

very good idea to impose excise duties on them. Of course it will be added that the Member States can limit the scope of this exemption until Community rules are introduced, but that is no reason for proposals directly contradicting the 7th VAT Directive.

I should be grateful if the Commission would specify its views on this problem. As rapporteur, I repeat, I do not wish to table an amendment. However, my problem has been solved by Mr Ansquer, who has tabled an amendment which I can fully endorse, and I could recommend Parliament to vote for it.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — I shall try to be brief. First, I would like to welcome Mr Nyborg's report for its constructive approach to our proposal for this directive. When submitting it to the Council, the Commission was motivated by the need to achieve a uniformity of procedures in this area. It was also keen to press ahead with the harmonization of the common VAT system for purposes of the Community's own resources.

The proposed directive covers both excise duties and value added tax. For its basis it draws on the principles already enshrined in the Sixth VAT Directive, which provides for exemption for the stores of vessels and aircraft subject to certain conditions laid down by the Member States. The extension of these principles to the excise field is a logical development given the actual position obtaining in Member States and the desired aim of uniformity of tax procedures applicable to a given transaction.

Now the object of uniformity is also reflected in the fact that the Commission has aligned the proposed tax procedure with that already proposed, and welcomed by the European Parliament, in the field of customs duties. This alignment, while not capable of being complete at the current stage of development in the various sectors, will achieve maximum ease of application of these rules for administrative and trade concerns alike.

It is heartening to see that the Committee on Economic and Monetary Affairs endorses the objectives of the proposed directive and proposes its approval by Parliament. However, I must reserve the Commission's position on the proposed request that private vessels and aircraft and those of the armed services be excluded from the directive's scope. We shall have to examine more thoroughly the consequences of this proposal, with respect both to tax harmonization and to the Community's own resources accruing from value-added tax.

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

We shall now consider the motion for a resolution. I put the preamble and paragraphs 1 and 2 to the vote. The preamble and paragraphs 1 and 2 are adopted. On paragraph 3, I have Amendment No 1, tabled by Mr Ansquer and rewording this paragraph as follows:

3. Approves the Commission's proposal.

This amendment has the rapporteur's approval.

*(Parliament rejected Amendment No 1 and adopted paragraph 3)*

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.<sup>1</sup>

## 22. Noise emission of construction plant

**President.** — The next item is the report by Mr Mihr (Doc. 1-819/79), on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-534/79) for a directive amending Directive 79/113/EEC on the approximation of the laws of the Member States relating to the determination of the noise emission of construction plant and equipment.

I call Mr Seefeld.

**Mr Seefeld, deputy rapporteur.** — (D) Mr President, my colleague Mr Mihr sends his excuses and asks me to make two or three remarks. This proposal is concerned firstly with the elimination of the different national provisions governing the methods of measurement used for establishing the level of noise emitted by construction plant and equipment and secondly we have to deal with the permissible noise emission level and the effects that that will have on working conditions and the environment. My colleague, Mr Mihr, asked me to say that the Committee on the Environment, Public Health and Consumer Protection fortunately dealt with this aspect in its opinion with commendable attention to detail. Let me also add this: the Commission proposal for a directive on the introduction of uniform measuring methods is a sound one. I recommend on behalf of my colleague Mr Mihr that you approve it. If it is passed, it will eliminate another major barrier to trade.

I should, however, use the occasion presented by this report to point out that the Council has missed a perfect opportunity to combine a trade measure with a series of other measures aimed at improving working and environmental conditions and at improved health protection.

<sup>1</sup> OJ C 147 of 16. 6. 1980.

## Seefeld

Mr President, proposals for directives on the approximation of the laws in this field have been before the Council for a number of years. The Commission transmitted the first proposal to the Council on 31 December 1974. Further proposals followed in 1975 and 1976 and to date the Council has taken no action on these proposals. The introduction of uniform measuring methods is undoubtedly a sensible prerequisite for the approximation of permissible noise emission levels and therefore in this House, if we adopt the resolution, we again publicly urge the Council to deal without delay with the proposals for directives brought before it since 1974.

This is what I have to say on behalf of my colleague Mr Mihr. Allow me, Mr President, to conclude with a remark on a matter of principle. In a question which is allegedly one of detail we are dealing with a problem which reflects the relationship between the European Community's political and, in a wider sense, its social brief. I believe that they are both completely compatible. Both aspects are not in any way inconsistent with each other. The Commission has recognized this connection — and for that I should like to make a point of thanking it. It has done the appropriate spade-work. Unfortunately the Council has as yet not followed this logic. This is regrettable; I ask for this motion for a resolution to be adopted.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, I simply wish, on the Commission's behalf, to thank the rapporteur and his committee for the excellent report and Mr Seefeld for his presentation. The Commission is confident that Parliament's vote on this item will help to speed up the Council's decision.

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

We shall now consider the motion for a resolution.

*(Parliament adopted the preamble and paragraphs 1 and 2)*

On paragraph 3, I have Amendment No 1, tabled by Mrs Squarcialupi on behalf of the Committee on the Environment, Public Health and Consumer Protection and rewording this paragraph as follows:

3. Emphasizes the importance of the arguments put forward by the Commission for the improvement of working conditions, but believes that it is urgent to determine more clearly the relationship between the amount of noise and its duration and the dangers arising from impulsive noise, which are not dealt with adequately in the proposal for a directive.

What is the rapporteur's position?

**Mr Seefeld, deputy rapporteur** — (D) Mr President, for the sake of simplicity I will say that I have the approval of the rapporteur for both Amendments, Nos 1 and 2. I believe that simplifies our business.

*(Parliament adopted Amendment No 1)*

**President.** — After paragraph 3, I have Amendment No 2, tabled by Mrs Squarcialupi on behalf of the Committee on the Environment, Public Health and Consumer Protection, and inserting the following new paragraph:

- 3a. Believes that attention should be paid to the effects of noise emission not only on the machine operator but also on workers who may be close to the source of the noise, since they are working in the same environment.

*(Parliament adopted Amendment No 2, then paragraph 4)*

I put the motion for a resolution as a whole, thus amended, to the vote.

The resolution is adopted.<sup>1</sup>

23. *Second EEC research and development programme of textiles and clothing — Technological research programme on clay minerals*

**President.** — The next item is a joint debate on two reports drawn up on behalf of the Committee on Energy and Research:

— The report by Mr Poncelet (Doc. 1-730/79) on the

proposal from the Commission to the Council (Doc. 110/79) for a decision adopting a second multiannual research and development programme for the European Community in the field of textiles and clothing (indirect action); and

— The report by Mr Herman (Doc. 1-132/80) on the

proposal from the Commission to the Council (Doc. 203/79) for a decision on the adoption of a programme of technological research in the field of clay minerals and technical ceramics.

I call Mr Herman.

**Mr Herman, rapporteur.** — (F) Mr President, in accordance with your wish and to enable the Assembly to complete its business I shall be very brief.

<sup>1</sup> OJ C 147 of 16. 6. 1980.

**Herman**

Mr Poncelet has asked me to say that the Committee on Energy and Research has accepted the whole of the programme that was submitted to it and supports the Commission proposal, but on certain conditions.

The first is that the Commission should notify the European Parliament each year of progress in the research work, the results obtained and the extent to which the appropriations have been used up.

The second condition is that the Commission should consider as soon as possible — given the importance of the problem from the point of view of the developing countries — incorporating in Programme No III a section for 'cotton, combed wool and other natural fibres', without, however, delaying the adoption and implementation of Programme No II, which is aimed at maintaining and improving the European textile industry's competitiveness and which is based on five schemes covering various branches of major activities.

Mr Poncelet has himself made an amendment, which I, on behalf of his committee, ask Parliament to adopt. He proposes that in paragraph 5 be inserted after 'as soon as possible' the words 'and by 1 January 1981 at the latest'.

If you will allow me, Mr President, I shall now present my own report just as briefly. This report on the programme of technological research on clay minerals and technical ceramics was approved by our committee virtually unanimously, there being only two abstentions. There is, however, a problem of a budgetary nature. I should like to say to the Commission that the Parliament is not really interested in knowing exactly how the money is spent. In other words, the Commission is free to use the funds it wants and to juggle about with the appropriations as it can, provided that — and this is what interests us — the programme is carried through to the end. Problems arise as regards implementation of the budget: I learned that what was envisaged would perhaps not be carried out in accordance with the estimates. But what is of interest to us is the result and the objective. Therefore, if the Commission regards it as preferable to apply a method of financing other than that which was originally planned, our committee — and, I hope, Parliament — will not object.

Paragraph 1 is the subject of an amendment by Mr Moreland proposing that the words 'of the ceramic and clay minerals industry' be replaced by 'of the clay-based ceramics industry, and in particular the technical ceramics sector'. I am quite prepared to accept this amendment.

*(Applause)*

**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 this motion for a resolution and give it, and Mr Poncelet's amendment, our complete support. In view of the delays involved in presenting this proposal, to which reference was made today, I would ask Council to give it its most urgent attention and approval.

I draw attention, in particular, to two aspects of this proposal which have been prompted by the long delays which occurred in the case of the first programme, as Mr Hermann has already mentioned. These are, firstly, that the Commission should report to Parliament each year on the progress of the research, the results obtained and the appropriations utilized and, secondly, that the Commission should give its attention to the preparation of a third programme as soon as is reasonably possible within the three years' lifetime of this programme. This will enable the textile industry to benefit from the assurance of continuity of research and development, ensure that the structure and content of such programmes are consistent and provide the necessary follow-up to work already begun.

I believe that the principles on which these programmes are drawn up are good ones in that they are based on indirect action. This means that the industry itself meets approximately 50 % of the cost of the programme and, through its various associations and research laboratories in the Community, is directly involved in shaping the proposals and the priorities of the programme.

The precise content of the second programme gave rise to considerable discussion in the Committee on Energy and Research, and I am extremely pleased that this was amicably resolved. The programme was not based on particular spinning systems, but on specific aspects of the textile and garment industry to make them more competitive. This is an imaginative programme, and we wish it every success. It is not unnatural that the rapporteur should have wished to lay emphasis on the cotton sector, which is, of course, the largest sector and perhaps the one that has suffered most from the large-scale imports of yarn, fabrics and garments at extremely low prices. The committee, however — and in my opinion rightly — drew attention to the serious problems which have also occurred in other important sectors, such as the worsted, woollen and flax sectors, which in turn affect the natural and also the synthetic fibres used in these sectors. The report therefore calls attention to the needs of these products when considering the third programme, but emphasizes that this must not in any way delay the adoption and implementation of this second programme.

In conclusion, I wish to draw the attention of both the Council of Ministers and the Commission to the importance of maintaining support for the European textile industry with continued research and develop-

**Beazley**

ment programmes, particularly as this is a diverse industry and one which is organized mainly on a horizontal basis. The textile industry is just as important to the European Community in terms of employment, turnover and utility as agriculture, steelmaking and engineering. In the absence of an industrial policy in the Community, the need for appropriate support for such basic industries is too often overlooked. I believe that the European Communities must be willing to provide the necessary financial support for research and development in traditional industries like textiles, so that they can be fully competitive in cost, product quality, scale and diversity. This will benefit not only the textile industry itself and provide the necessary level of employment and remuneration to its workers, but it will also benefit all those other industries connected with, and to an extent dependent on, a strong and successful textile industry, such as the chemical industry, engineering, machine-building, electronics, etc.

As we have such a high level of science and technology available in our universities and technical colleges, in our industry and commerce, we must use these resources fully in support of the textile industry so that it can be helped to adjust itself to the new demands of the world market. We must use science and technology to keep a step ahead of competitors, whose competitiveness may depend on cheap labour costs or a scale of operations not as yet obtainable in Europe.

I strongly advise this House to give this resolution its full support.

**President.** — I call Mr Harris.

**Mr Harris.** — Mr President, first of all, I should like to thank Mr Herman very much for all the cooperation that he has given to those of us who had great doubts about the clay element of the programme which is the subject of his report. Unfortunately, my colleague Mr Moreland, who represents an area of the United Kingdom known as 'The Potteries', is unable to be here today because he suffered a family bereavement last night. However, I know he wants me to pass on to Mr Herman our gratitude for all the help that he has given on this matter and, indeed, for showing the flexibility he has again demonstrated today in indicating that he wishes the House to accept the amendment which stands in Mr Moreland's name, Lord O'Hagan's name and my own.

The programme is in two parts, and if Mr Moreland had been here today he would have fully backed the part of the programme that deals with the ceramics industry, because I know he is worried about the competition — we think, unfortunate competition — which the ceramics industry faces from Taiwan, Japan and Korea. He welcomes, in particular, the ceramics

research programme, to enable Europe's ceramics industry to face this competition on a proper basis.

I should like to say a few words about the clay programme, because, quite frankly, the Commission's draft programme — in my opinion, and in the opinion of the clay producers — would result in a waste of time and money. I am glad to say that the Commission has given undertakings on this matter, and provided those undertakings are backed up today, I and my colleagues will be happy to support the report before us.

The problem was that the Commission's original programme ranged far too wide, and was far too theoretical. As a result of this, and in a spirit of cooperation, the clay producers — among them the largest in my own constituency — went to Brussels and had talks with the Commission. We understand that an agreement has now been reached on this matter. I therefore ask the Commissioner to confirm that the draft research programme will be re-written in the light of the undertakings given and that the precise objectives will be redefined in order to permit the EEC ceramics industry to remain in the forefront of world ceramics manufacture. The programme should be directed towards the detailed analysis of faults occurring at all points in the fabrication and firing processes. If some of the faults are found to be attributable to variations or other faults in the raw materials, the clay producers will cooperate to the full in assisting with this part of the research programme.

I hope the Commission will be able to confirm the undertakings which were given to the clay producers, and provided that is done we shall be happy to support the programme before us today.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, the Commission felt that, in view of the success of the first research programme, if the important aim of maintaining the efficiency and competitiveness of the Community's textile and clothing industry was to be achieved, it was desirable, not to say necessary, to propose that a second, and much bigger, research and development programme should be financed from the Community's budget. The contribution to the financing of this programme that the industry itself is prepared to make testifies to the value of this initiative. The Commission agrees with the proposal contained in paragraph 7 that a yearly report should be submitted to Parliament on the state of progress of the research, and it has noted the suggestion contained in paragraph 5 that the possibility of including in a subsequent programme a section on cotton, combed wool and other natural fibres should be considered. The Commission is also in agreement with Amendment No 1. That is all I wish to say on the



**Giolitti**

resolution in the Poncelet report, except to thank the rapporteur and the committee for their valuable work.

As regards technological research on clay minerals, the Commission wishes to emphasize the importance it attaches to subsidies aimed at promoting research and development in a sector which is rapidly expanding and which is making a great contribution to the development of other export-oriented industries.

The proposed modification suggested by the rapporteur, Mr Herman, to the effect that the Commission should submit to Parliament a communication on the state of progress of the programmes, has the full support of the Commission which is happy to have this opportunity of maintaining a continuing dialogue with Parliament on activities of this type. On the other hand, as regards the amendment to this resolution, the Commission cannot declare its agreement, because the wording which it is proposed to change is exactly that corresponding to the title of the research programme. We therefore propose that the wording remain unaltered.

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

We shall now consider the motion for a resolution contained in the Poncelet report (Doc. 1-730/79).

*(Parliament adopted the preamble and paragraphs 1 to 4)*

On paragraph 5, I have Amendment No 1, tabled by Mr Poncelet on behalf of the Group of European Progressive Democrats and inserting after 'as soon as possible' the words 'and no later than 1 January 1981'.

*(Parliament adopted in succession Amendment No 1, paragraph 5, thus modified, and paragraphs 6 and 7)*

I put the motion for a resolution as a whole, thus modified, to the vote.

The resolution is adopted.<sup>1</sup>

We shall now consider the motion for a resolution contained in the Herman report (Doc. 1-132/80).

*(Parliament adopted the preamble)*

On paragraph 1, I have Amendment No 1, tabled by Mr Moreland, Lord O'Hagan and Mr Harris and replacing the phrase '... clay minerals and, in particular, the ceramics industry' with the phrase '... clay-based ceramics industry and, in particular, the technical ceramics sector'.

What is the rapporteur's position?

**Mr Herman, rapporteur.** — (F) I am in favour, Mr President, and contrary to what the Commission

representative may think, I have the impression that we are not going to change anything at all. The wording proposed in the amendment is a more precise form of wording which corresponds in particular to natural circumstances in a given country. I think that as the agreements were discussed at length there is no ambiguity on this point. Consequently, I am for this amendment.

*(Parliament adopted in succession Amendment No 1, paragraph 1, thus modified, and paragraphs 2 to 7)*

**President.** — I put the motion for a resolution as a whole, thus modified, to the vote.

The resolution is adopted.<sup>1</sup>

*24. Use of the ECU in the general budget and in legal instruments of the Community*

**President.** — The next item is the report by Mr Simonnet (Doc. 1-65/80), on behalf of the Committee on Budgets, on the

proposals from the Commission to the Council (Doc. 1-631/79) for

- I. a regulation amending for the third time the Financial Regulation of 21 December 1977 as regards the use of the ECU in the general budget of the European Communities; and
- II. a regulation on the replacement of the European unit of account by the ECU in Community legal instruments.

I call Mr Damseaux on a point of order.

**Mr Damseaux.** — (F) Mr President, we have 21 minutes left. Mr Simonnet's report deals with a matter which is important to this Assembly and will require lengthy discussion as in my opinion it cannot be accepted as it stands by the Parliament. This means that the other reports will not be examined. Do you not think that it would be a good idea to examine the other reports and to postpone examination of the Simonnet report, which is of great importance and, in my opinion, unacceptable to Parliament, to another part-session?

**President.** — Mr Damseaux, I thank you for your suggestion, but you will understand that I should first like to ask Mr Simonnet for his opinion.

<sup>1</sup> OJ C 147 of 16. 6. 1980.

## President

I call Mr Simonnet.

**Mr Simonnet, rapporteur.** — (F) Mr President, on the contrary, I must insist that this report be debated. We are already several months late as we should have given an opinion on 1 January 1980. If we put it off until June, there is nothing to say that it will not be postponed once again. While discussion of this matter is important, it can also be very brief and I must say straight away that I accept — I reassure Mr Damseaux — half of his amendment.

Consequently, we can reach a consensus within ten minutes and finish with this matter, which the Commission and the Council have been waiting for us to do for nearly five months now.

We are very often critical of the Council and the Commission, for instance when they are slow to present a budget to us when, in some cases, the Council and the Commission could give us a rapid answer. You too are putting off giving me a simple opinion which prevents me from proceeding further with a fundamental reform. I strongly insist that this matter be dealt with now, as the meeting of Presidents and the Assembly decided.

**President.** — I cannot permit any further discussions on the agenda.

I call Mr Simonnet.

**Mr Simonnet, rapporteur.** — (F) Mr President, ladies and gentlemen, the Commission proposals before us seek to do away with the present Community unit of account — the EUA — and to replace it in all Community accounting documents and acts by the ECU, in other words the unit of account of the European Monetary System.

The ECU would thus become the third unit of account used by the European Communities; the first unit of account used was defined in relation to the gold standard and had the same value as the dollar in relation to gold. Following the devaluation of the dollar, however, this formula was abandoned; the initial unit of account gave way to the EUA which is not tied to a gold-standard system but is defined with reference to a basket of currencies, which means that the EUA includes a percentage amount of each of the nine Member States' currencies. The European Monetary System introduced a third unit of account, the ECU, which is based on the same basket of currencies and is already used in the EAGGF, in other words for two-thirds or three-quarters of Community expenditure; we thus have a system which must be discarded as soon as possible.

At the present time, the European Communities have two units of account, the EUA and the ECU, with the same value. This is not very serious, you might say, since they both have the same value, but those values may change and, the European Community may find itself from one day to the next with two units of account with different values. And depending on whether the Community make payments out of one chapter or another of the budget, the Member States or individual recipients would end up with different amounts. This would obviously give rise to serious complications, which we must avoid at all costs by taking advantage of the fact that at the present time, the two units of account have the same value. For this reason, we fully approve the Commission's proposal to the Council that from now on, there should be only one unit of account in the European Communities and that it should be the ECU and not the EUA. In this case, I feel sure that everyone would agree that there would be no further difficulties.

But the second problem raised by the Commission's proposal, to which Mr Damseaux has just referred, is quite different as it involves the rights of Parliament. I can assure Mr Damseaux that the Committee on Budgets is just as concerned to uphold the rights of Parliament as the Committee on Economic and Monetary Affairs, to which he belongs. What is the problem? The Commission has taken the opportunity offered by this change in the unit of account to amend an article in the Financial Regulation. And, like the Committee on Economic and Monetary Affairs, we cannot agree with the Commission on this point and furthermore, judging by the hearing we had in the Committee on Budgets, I believe that the Commission has accepted our view. Be that as it may, it is the Council who will decide since all the Commission can do is to make a proposal. We ourselves simply deliver an opinion and the final decision lies with the Council.

What exactly is involved? We are faced with a situation in which the unit of account is changed, something which, as we have seen, has already happened twice. But, underlying this change in the unit of account, there are in fact two quite different aspects, the one internal and the other external. First of all, you can change the definition of the unit of account or you can change its composition. Changing the definition of the unit of account is, for example, what happened after the devaluation of the dollar when we switched from the gold-standard system to the currency-basket system. Decisions of this kind are extremely serious and of capital importance. What the Commission is proposing is that from now on, the Council alone should take those decisions without consulting Parliament. We cannot accept this any more than the Committee on Budgets or the Committee on Economic and Monetary Affairs, and we maintain that if the definition of the European unit of account were to be changed at some time in the future, by reverting, say, to the gold standard or adopting any other system, the Council could not do

**Simonnet**

so without consulting us and this is the crystal-clear intention of Mr Damseaux's amendment to the second part and I accept it straight away.

This leaves us with the matter of changes in the composition of the unit of account, in other words with the question of whether the Council can decide at some future date to include, say, FF 1.15 in the currency basket instead of FF 1.20 or 1.10. On this point, I believe that the Commission is right and that changes of this sort should not be surrounded with publicity, for as we know from experience in our own countries, this might well open the door to speculation and we simply must avoid all speculation on our national currencies and on our European currency. We therefore consider that Article 10 of the Financial Regulation, the one which the Commission proposes to amend, should be given a slightly more sophisticated wording. What I mean by this is that if the article made the distinction to which I referred, we would agree that the Council should be able to change the composition of the unit of account without consulting us — this is the amendment tabled by the Committee on Budgets — but that — and here we come to Mr Damseaux's amendment tabled on behalf of the Committee of Economic and Monetary Affairs — if the definition of the European unit of account were to be amended, by switching, for example, from the currency basket to the gold-standard system, this would be too serious a decision to be taken without Parliament being consulted by the Council.

Such is the intention of my report.

We would thus have a new first paragraph which stipulated that the budget should be drawn up in ECU followed by a second paragraph to the effect that the ECU would be the sum of amounts of the Member States' currencies. In order to deal with the problem of changes in the unit of account, we would add the Committee on Budgets' amendment to the effect that any change in the composition of the ECU decided by the Council under the European Monetary System would be automatically applicable to the present provision, the purpose being to avoid any publicity and speculation. Finally, we would incorporate Mr Damseaux's amendment to the effect that any change in the definition of the ECU should be decided by the Council following consultation of the European Parliament.

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

**Mr Damseaux.** — (*F*) Mr President, I would thank the rapporteur, Mr Simonnet, for having agreed to part of my amendment, but I still do not think this is enough, and I believe that we are moving towards a situation in which the power of our Parliament will be seriously eroded.

We are, of course, satisfied with the Council's proposal to bring the ECU into general use by introducing it, as from 1 January 1980, instead of the EUA wherever the EUA is still utilized. In principle, the proposal meets the wishes of this Parliament. A decision to adopt it would have the tremendous advantage of timeliness, particularly since we might find ourselves very soon, as Mr Simonnet pointed out, with an ECU and an EUA with different values, the reason being that the composition of the ECU may be changed whereas the definition of the European unit of account does not allow for this possibility. We are therefore agreed on this matter of principle.

But the sticking point is the composition of the ECU which, to my mind, raises an institutional aspect in that it has a bearing on the powers of the European Parliament.

The point is that the proposed amendment to the Financial Regulation of 21 December 1977 does not seek simply to replace the unit of account by the ECU but — and this is where I disagree — it relegates the composition of the ECU to a footnote and, unless my amendment were accepted, any changes made would be automatically applicable under the European Monetary System. The reasons initially furnished by the Council were administrative on the surface and legislatively correct but, to my mind, they were diabolically subtle. The Council said that if the composition of the ECU basket were specified in the Financial Regulation, any change in the ECU meant that the Financial Regulation would automatically lapse. This is true, but the price to be paid for having concordant provisions would have been a serious repudiation of the powers of our Assembly.

The fact is that both Article 209 of the EEC Treaty and Article 106 of the Financial Regulation of 21 December 1977 require Parliament to be consulted on financial regulations and on the establishment and implementation of the budget. The rapporteur will certainly not contradict me when I say that as matters stand at present, there is no question but that the European Parliament is entitled to be consulted on the EUA basket used in the general budget of the Communities. But if the ECU weighting is changed by the Council alone, without consulting the European Parliament, the effect will be, even if the external value of the ECU is not affected, to modify the budgetary contribution of every single Member State. I therefore believe that, as worded, the proposal is unacceptable for the European Parliament from the legislative point of view, since if it were adopted, we should be deprived of all opportunity to deliver an opinion on any changes in the composition of the ECU. As I see it, the European Parliament would be reduced to silence on a fundamental matter, since the weighting of the currencies in the ECU is vital to the way it works. Changes in the composition of the ECU are by no means a matter of administrative routine as the requirement for unanimity on the part of the Member

**Damseaux**

States so amply shows. On the contrary, changes in the composition of the ECU have monetary, economic and budgetary implications which the severe limitation on speaking time in this House prevents me from going into here. In those circumstances, I believe that the procedure for the automatic introduction of changes in the ECU proposed by the Commission is unacceptable as far as this House is concerned: the proposal to amend the Financial Regulation diminishes the powers of our Assembly. The issue is not simply a budgetary one, it is both economic and budgetary. It has to do with the entire implementation of the European Monetary System, of which this Parliament and its various committees have complained that they have not been sufficiently involved.

It is for this reason that I have tabled two amendments which, I feel, should be approved by the House, since we cannot hand over to the Council of Ministers the powers which we unquestionably enjoy at present as far as the composition of the unit of account used in the Community budget is concerned. I believe that the issue between the Council and ourselves is a simple one. We accept the general introduction of the ECU and the Council accepts that the European Parliament should always be consulted on all aspects of the ECU, not simply on the budgetary aspect as we are at present but on the other aspects as well.

It should be clearly understood — and this is my final point, Mr President — that I am not calling for something exorbitant. A currency can change in three ways: it can change from day to day on the exchange market, it can change as a result of modifications to the central rates, and it can change from time to time when the weightings are reviewed. It is only in this last case that the Committee on Economic and Monetary Affairs unanimously requested that the European Parliament should always be consulted. I therefore feel that I am speaking not only for my own group but also for the whole Committee on Economic and Monetary Affairs when I ask that the European Parliament should not cede its right of consultation on the budgetary unit of account but should strongly claim, in return for the general introduction of the ECU, the mandatory right to be consulted on the future composition of the ECU basket.

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

**Mr Prag.** — Mr President, like Mr Simmonet we are bound to approve, and indeed warmly welcome, the Commission's proposals for removing the danger of there being one currency unit — the ECU — for monetary cooperation and another — the European unit of account — for budgetary matters. It is right that the ECU should replace the unit of account while they are both at the same value. But, clearly, the role of Parliament in any change in the fundamental basis

of the ECU cannot be allowed to disappear. It would seem to me that we cannot claim too much, particularly as regards changes in the central or pivotal rates, or changes in the composition or weighting of the ECU, and therefore, we in our group are happy to accept the form of amendment which Mr Simmonet wants to accept.

I wish to make two further points. At a time when our civilization and way of life are in the greatest danger and the need for unity is greatest, at a time when Europe appears divided and ill-tempered and ineffectual, it seems to me right that we should accept and recognize the great step forward constituted by the use of the European currency unit for the Community both in the budget and in monetary cooperation. It is an important step towards a common currency.

My second point is the simple suggestion to the Commission, the Council and our governments that we give the people of the Community a visible token of this great stride towards European unity. Why should we not have, in parallel with our national currencies, two practical manifestations of this single European currency? Perhaps a denomination — if only one denomination of ECU coins — and the possibility for all travellers to have ECU travellers' cheques.

These would be extremely convenient for touring, they would be stable in value, they would be absolutely reliable and immediately usable in all Community countries. Perhaps our government could use a little imagination and try to show our people that in spite of our wretched quarrels over Iran, summits, sheepmeat, butter and the rest, the European Community is still alive and that sometimes, Mr President, it does things that ordinary folk can understand.

*(Applause)*

**President.** — I call Mr Herman.

**Mr Herman.** — *(F)* Mr President, a very brief word. However much I am for the extension of this Parliament's powers and would be against any erosion of those powers, I cannot agree with Mr Damseaux on the specific issue that he has raised. The reason is extremely simple and one of which he is doubtless himself aware, and it is that any change in the composition of the ECU would be the same as changing its value; this being the case, major public discussion at such time would provide an extraordinary incentive to speculation and might make changes decided wholly inoperative. As far as the composition of the basket is concerned, therefore, I cannot go along with Mr Damseaux's amendment.

**President.** — I call Mr Spinelli.

**Mr Spinelli.** — (I) Mr President, I think that Mr Damseaux's proposals are fine, but there is one thing I should like to say: we are voting on a resolution to which the Council should pay the greatest attention; we therefore want Parliament's vote on an issue of such importance to have the maximum authority. If the Council were to ignore our wishes, we should be prepared to demand a consultation with the Council.

Therefore it seems to me absurd that, on an issue that should have, according to how we deal with it, extremely serious consequences — for the consequences, in the very near future, of how the ECU is defined, how its definition may be modified, etc., will be very important indeed — we should be taking a vote from just a dozen or so people who happen to be present here. I should like to propose, and I think that Mr Simonnet, as the rapporteur, can formally demand it, that we do not vote now, but at another time when this Parliament can accord the matter the consideration it merits. I have not the slightest idea whether Mr Damseaux's proposals will or will not be accepted, but it seems to me altogether ridiculous that a decision on this should be taken by a fortuitous majority of 6 to 5!

**President.** — It is for us to ensure that there is a better attendance in the Chamber.

What is Mr Simonnet's opinion on Mr Spinelli's proposal?

**Mr Simonnet, rapporteur.** — (F) Mr President, I apologize for speaking once more on behalf of the Committee on Budgets, but I am a professor of law by profession and as far as I am concerned, there are always enough Members present in a parliament to discuss a matter. There are enough of us present to discuss this matter. If it is argued that a matter cannot be discussed because of its importance, we shall never decide anything. I therefore call for an immediate vote. We have kept the Council and the Commission waiting too long. If we were to wait a further month — and we cannot be sure that the Conference of Presidents would put the matter high on the agenda, besides which distortion might occur between the two units in the meantime — much of the blame would be ours. I therefore call for an immediate vote.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, I can be brief. I welcome the favourable opinion delivered by the rapporteur, whom I thank, on this Commission proposal concerning the introduction of the ECU. As we know, the introduction will, if adopted by the Council, enable the Commission to make general the use of one single instrument in the whole of the Community's activities.

I accept the amendments proposed by Mr Simonnet to the new version of Article 10 of the Financial Regulation. I note that the rapporteur makes a distinction between adjustments in the composition of the ECU as opposed to changes in the definition of the ECU as a basket of currencies. On the latter point, the rapporteur takes the view that Parliament ought to be consulted and that, if necessary, the conciliation procedure should be applied.

On behalf of the Commission, I indicate that we support this view.

The amendment tabled by Mr Damseaux adopts this last idea. I suggest that the amendment is unnecessary, because it is already included in the resolution itself. On the other hand, the amendment suggests that the present text proposed by Mr Simonnet on behalf of the Committee on Budgets should be deleted. Our feeling is that this might be a mistake, because the distinction between the definition and the composition of the ECU would be rendered unclear. So the text proposed by Mr Simonnet and adopted by the Committee on Budgets after long and detailed discussion is acceptable to the Commission. We confirm our support of it and would prefer that the Damseaux amendment not be adopted.

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

Before we consider the motion for a resolution, we must first deal with amendments to the proposal for a regulation (I).

On Article 1, I have Amendment No 1, tabled by Mr Damseaux and rewording this article as follows:

#### *Article 1*

The Financial Regulation is hereby amended as follows:

1. Article 10 shall be replaced by the following:

#### *Article 10*

1. The Budget shall be drawn up in ECU.  
The ECU shall be defined by reference to the sum of specified amounts of the currencies of the Member States as set out in Council Regulation (EEC) No 3180/78 of 18 December 1978 changing the value of the unit of account used by the European Monetary Cooperation Fund.  
Any change in the definition of the ECU shall be decided by the Council, after consulting the European Parliament.

I think we shall be conforming to the rapporteur's wishes if I put the amendment to the vote in two parts.

Are there any objections?

That is agreed.

*(Parliament rejected the first part of the amendment and adopted the second)*

**President**

I put the motion as a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**25. Agenda**

**President.** — In view of the late hour, we are obliged to defer the rest of the agenda to the next part-session.

I call Mr Glinne.

**Mr Glinne.** — (*F*) This morning at 9 a.m., when the sitting opened, I stressed the importance we attach to item No 95. A few minutes would suffice. We limited our own speaking-time to two minutes and we withdrew four of the five amendments we had tabled. What we have here — and I measure my words — is a matter which, to some, may be one of life or death. We strongly feel that Parliament cannot adjourn without having considered item 95.

**President.** — Mr Glinne, I propose that all items still on the agenda be deferred with the exception of the item to which you have referred.

Are there any objections?

That is agreed.

**26. EEC-Swiss Confederation trade agreement**

**President.** — The next item is the report by Mr Donnez, on behalf of the Legal Affairs Committee, on the Adams case and the trade agreement between the EEC and the Swiss Confederation (Doc. 1-44/80).

I call Mr Donnez.

**Mr Donnez, rapporteur.** — (*F*) Mr President, I would thank you for having acceded to Mr Glinne's request. As a token of my own goodwill I shall be extremely brief.

This is a matter with which Parliament is familiar, I would even say too familiar, and I would venture to hope that we shall be discussing it for the last time.

To some extent — I shall not repeat the facts of the case in order to keep our debate short — Mr Adams is today the victim of a major conflict between Swiss criminal law, under which he has been sentenced for the disclosures he made to the Commission, and a

judgment by the Court of Justice of the Communities condemning Hoffmann-La Roche for the highly peculiar manner in which it construed freedom of competition. This judgment against a leading pharmaceuticals company was possible because of the statements made by Mr Adams. We learned from those statements how curiously a treaty between the European Communities and Switzerland has been interpreted. The details of the case point clearly to the relatively poor implementation of the treaty, to say the least, on the Swiss side.

The Legal Affairs Committee therefore took the view that a way should be sought of compensating Mr Adams for the moral prejudice and damages he had suffered and that we should call on the Commission to take whatever steps are necessary with the Swiss authorities to avoid the repetition of such mishaps and their referral to this Parliament. You have read the motion for a resolution before you; I venture to hope that Parliament will approve it in its entirety.

**President.** — I call Mr Van Minnen.

**Mr Van Minnen.** — On behalf of the Socialist Group, I thank Mr Donnez for his report, which shows how the multinationals crushed a man who gave information about their illegal practices. It also shows that the Commission is not being as forthright in the defence of this courageous man as one would have expected, and it reflects the public outrage that has helped us get support for Mr Adams.

We must stress one very important point: people who are prepared to give information against very powerful organizations like Hoffmann-La Roche must be protected by national and international law. This is a major test case in the European Community, showing whether it is prepared to defend the people who help it to enforce its own agreements.

We have tabled five amendments; but to avoid a lengthy debate we withdraw four of them and, in agreement with the rapporteur, we retain Amendment No 5, because it clarifies what we expect from the Swiss Law Courts. I call on Parliament to be true to its principles. I hope we support it unanimously.

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

**Mr Prout.** — My group supports in its entirety the Donnez report. We also support the amendment tabled by Mr Caborn.

We are especially concerned about the future of the trade agreement between the European Community and Switzerland which was signed in December 1972.

<sup>1</sup> OJ C 147 of 16. 6. 1980.

## Prout

We urge the Commission to obtain a firm undertaking from the Swiss authorities that there will never be a repetition of the Adams case. By prosecuting Adams for disclosing the infringements of Hoffmann-La Roche, the Swiss Government appear to be in breach of their treaty obligations. Moreover, by upholding this conviction the Supreme Court in Switzerland appears to have misdirected itself in law.

I would simply add that I do not think that the Adams case should be the occasion for a witchhunt against multinational companies. I think that is a side issue. I think the two issues are the Swiss Government and the Swiss Court.

**President.** — I call Mr Giolitti.

**Mr Giolitti, Member of the Commission.** — (I) Mr President, you will forgive me if I have to take a little time over what is an extremely delicate matter. Since, moreover, the Commission has been criticized over some of its aspects, it is my duty to provide a number of clarifications.

The Commission has already, on a number of occasions, stated its position to this Assembly on the Adams case. As soon as it learned of the arrest of Mr Adams by the Swiss police on 31 December 1974 and of his remand in custody, the Commission immediately took action for his release. For this purpose the Commission paid bail in the amount of 25 000 Swiss francs, which enabled Mr Adams to be released from jail on 21 March 1975. The Commission also paid the entire costs of the criminal proceedings against Mr Adams, including his solicitor's costs, to a total amount of over 100 000 Swiss francs.

In July 1976 the Commission also made representations to the British authorities to help Mr Adams recover his British citizenship, which he lost when Malta became independent. Under the legislation in force, however, the British authorities were unable to accede to this request. When the Commission learned of the problems Mr Adams was meeting in his attempt to settle in Italy, it intervened repeatedly on his behalf, particularly in order to obtain for him a residence permit and to speed up the proceedings for the provision of finance for the enterprise he was setting up.

As far as the Commission knows, there is no causal connection between what happened in Switzerland and Mr Adams's present difficulties in Italy. This being so, the Commission does not consider it advisable at present to make any further specific representations to the Italian authorities. As regards the deportation proceedings against Mr Adams, according to our latest information this request has been rejected by the Court.

The Commission has never lost sight of the fact that, because he had supplied information which made it possible to stop the illegal practices of a multinational corporation, Mr Adams had been held in preventive detention in Switzerland and received a suspended sentence of one year's imprisonment.

While it has no legal responsibility *vis-à-vis* Mr Adams, the Commission is prepared to offer him assistance, in the form of a gift and as an exceptional and strictly humanitarian measure, as soon as Parliament has expressed its desire to this effect in voting on this resolution.

We know that there are differences of opinion as to the compatibility of certain aspects of the Adams-Hoffmann La Roche case with the provisions of the EEC-Switzerland Agreement, notably its Article 23.

The Commission is aware of the difficulties in the way of bringing these positions closer together, particularly in view of the fact that the Swiss Confederation's Supreme Court has ruled on the matter. However, as Mr Haferkamp has already had occasion to state before this Parliament, the Commission has no intention of commenting on the Court's ruling.

Whatever one may think of the Adams-Hoffmann La Roche case in the light of the EEC-Switzerland Agreement, it has, at all events, shown that difficulties may arise in the interpretation and implementation of the Agreement, and especially of Article 23.

It is therefore in the interest of both parties to prevent, as far as possible, a recurrence of similar cases. This is why your Legal Affairs Committee's motion for a resolution rightly calls, in paragraph 3, for their avoidance for the future.

As you know, when, on 5 May 1975, the Commission informed Switzerland, through the EEC-Switzerland Joint Committee, of the Hoffmann La Roche affair, it was given an assurance by the Swiss delegation that, I quote, 'the letter and the spirit of the Agreement, and particularly of Articles 23 and 27 and of every other provision, would be respected'. Subsequently, the Swiss mission to the European Community agreed details of what is known technically as a diplomatic inquiry procedure which enables them to contact us immediately whenever a case falling within the scope of Article 23 of the agreement emerges.

This procedure has been established precisely with the aim of preventing contentious issues, such as the Adams case, arising between the two parties.

More recently, especially in view of the elected Parliament's interest in the case, following the meeting on 18 and 19 March of this year of your Legal Affairs Committee, the Commission's departments contacted the Swiss mission again. The Swiss were informed, that the Community reserved the right to bring up the

**Giolitti**

problem of the interpretation and application of Article 23 of the Agreement at the next meeting of the EEC-Switzerland Joint Committee, scheduled for 28 May next. The Swiss mission stated it was anxious to maintain and promote the best possible relations between the Swiss Confederation and the Community and was ready to furnish every assistance and supply any information that could be of help. In this sensitive case it is in nobody's interest to dramatize matters at the risk of jeopardizing the otherwise excellent relations existing between the Community and Switzerland.

The Commission is of the opinion that a frank, calm and detailed discussion of the problems which have arisen as to the interpretation and the implementation of Article 23 of the Agreement, pursued both through the regular diplomatic channels existing between the two partners and within the negotiating bodies specially set up by the free-trade agreement, will be the best means of preventing mutual suspicions and clearing up misunderstandings, so as to eliminate once and for all the kind of difficulties encountered over the Adams case.

Finally, as regards paragraph 1 of the motion for a resolution, in which the Commission is invited to request the competent bodies in the Swiss Confederation to grant Mr Adams amnesty in respect of the consequences of his being found guilty of criminal offences, the Commission does not see how it can carry out Parliament's request.

The procedure envisaged in the Swiss Constitution for granting a pardon is extremely complex, because it can be declared only, by both Chambers of the Swiss Parliament acting jointly. Moreover, a pardon in no way annuls the sentence; it merely mitigates or remits the punishment. On the other hand, an amnesty, whereby both the crime and its penal consequences really are wiped out, is a collective measure, not applicable to individual cases, and it is granted from time to time for political reasons.

In view of this, the Commission feels that any representations by it to the Swiss authorities would be unproductive.

This, Mr President, is what I felt bound to say to Parliament on this extremely sensitive matter.

Finally, as regards the amendment which stands, Amendment No 5, I have to say that the Commission cannot accept it because it is a fixed principle of Community institutions, and hence also of the Commission, not to interfere with the powers of the juridical authorities of third countries.

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

We shall now consider the motion for a resolution.

*(Parliament adopted the preamble)*

On paragraph 1, I have Amendment No 5/rev., tabled by Mr Caborn and rewording this paragraph as follows:

1. Invites the Commission to ask the competent bodies of the Swiss Confederation to instruct the General Prosecutor of the Swiss Confederation to demand, by way of a review procedure, the re-examination and re-opening of the case based upon Article 113 of the Swiss Federal Constitution and Article 6 of the European Convention on Human Rights. In subordinate order, invites the Commission to ask the competent bodies of the Swiss Confederation that amnesty measures be taken in relation to Mr Adams with respect to the consequences of the fact that he has been found guilty of criminal offences.

*(Parliament adopted in succession Amendment No 5/rev. and paragraphs 2 to 5)*

I put the motion for a resolution as a whole, thus amended, to the vote.

The resolution is adopted.<sup>1</sup>

*(Applause)*

## 27. Dates of the next part-session

**President.** — There are no other items on the agenda. I thank the representatives of both Council and Commission for their contributions to our work.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 16 to 20 June 1980.

Are there any objections?

That is agreed.

## 28. Approval of the minutes

**President.** — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

<sup>1</sup> OJ C 147 of 16. 6. 1980.



29. *Adjournment of the session*

The sitting is closed.

**President.** — I declare the session of the European Parliament adjourned.

*(The sitting closed at 2.30 p.m.)*









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