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NOTE TO READER

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

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

SITTING OF MONDAY, 13 DECEMBER 1982

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IN THE CHAIR: MR DANKERT

President

(The sitting opened at 5 p.m.)

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament which was adjourned on 19 November 1982.

Mr Chambeiron (COM). — *(FR)* Mr President, I have asked to speak on a point which seems to me particularly serious in that it calls into question the underlying credibility of our institution. Nobody disputes the fact that, in terms of the organization of the pow-

ers and responsibilities of the Community, the Commission is the custodian of the Treaties. But our Parliament has its word to say in ensuring respect for the Treaties. However, an event has been reported in the press, as you no doubt already know, Mr President, which amounts to a manifest violation of the terms of reference of the Community against which we wish to lodge a formal protest. On 6 December last in Paris, the Vice-President of the Commission, Mr Natali, made a public statement to the effect that the Community should set up a common defence policy.

My question is this: if that report is correct the European Parliament and public opinion must know whether Mr Natali was expressing the views of the Commission or merely his own personal position, a fact which would in itself raise certain problems as far as he is concerned. At all events, Mr President, we believe that the Commission must explain without delay why it made a statement which we consider inadmissible. I therefore ask you to request the Com-

Chambeiron

mission, on behalf of this Parliament, to state its position on this matter.

President. — Mr Chambeiron, provision is made for dialogue between the Commission and Parliament. I do not think that this is the time, when we are in the middle of drawing up the agenda, to amend that agenda by setting up a dialogue procedure. We can however require information from the Commission by way of oral or written questions, for example.

For the moment this problem lies with the Commission so long as Parliament has not put a question on the subject.

Mr Chambeiron (COM). — (FR) Mr President, this is none the less a rather serious matter. You are the President of this Parliament; I maintain that Mr Natali's statement calls into question the credibility of the Communities. This Parliament is required to ensure respect for the Treaties. For my part I am asking the Commission to make a statement on the position adopted in public by Mr Natali in Paris.

President. — Mr Chambeiron, the Commission is to be treated as a collegiate body. Its members do not represent it automatically. I propose therefore that you first put questions to the Commission.¹

2. Agenda

President. — At its meeting of 16 November 1982 the enlarged Bureau drew up the draft agenda, which has been distributed.

At its meeting of 3 December 1982 the chairmen of the political groups instructed me to propose a number of amendments.

(The President read out the amendments proposed)²

I have received from the Council several requests for urgency most of which have become superfluous.

As regards the request relating to the regulation on aids to shipbuilding, the Committee on Economic and Monetary Affairs has already adopted a report by Mrs Desouches which could be included on the agenda for Wednesday, after the voting.

Mr Enright (S). — Mr President, I am quite happy to go along with urgency for Council's purposes but cannot Council do something in return — occasionally give us reports in decent time to consider them? It could give them in draft form — it does not do so at the moment — and this is frankly not helpful either to Council or ourselves.

President. — Mr Enright, I think your question is perfectly in order. I myself have already entered into written communication with Council and Commission on this subject. I think the Commission gave a satisfactory answer and as far as I can recall there has been no answer so far from Council.

Pursuant to Rule 56 of the Rules of Procedure, I have received from the European Democratic Group a request to include at 9 a.m. on Wednesday a statement lasting approximately 15 minutes on agricultural prices by Commissioner Dalsager, to be followed by a meeting of the Committee on Agriculture at which questions could be put to Mr Dalsager.

I have to indicate that Rule 40 says on this kind of statement that unless Parliament decides otherwise, such a statement in such a case is made by the Commission and shall not be followed, I repeat not be followed, by a debate. Members may, however, avail themselves of a period of 30 minutes in which to put brief and concise questions with a view to clarifying specific points in such statements.

In view of this, the meeting of group chairmen this morning agreed that it would be better to give Commissioner Dalsager the opportunity to address the Committee on Agriculture at a public meeting; make a statement and reply to questions asked by members of the Committee on Agriculture. The problem is that the Commission will decide during Tuesday night on the price proposals. In view of the statement by the President-in-Office of the Council and the President of the European Council there will not be any further room on our agenda on Wednesday morning. This will mean that we will probably have to complain about the agricultural discussions and proposals being reported in the press before we get the chance of being informed by the Commission.

Sir Henry Plumb (ED). — Mr President, when my own group considered this position, they were concerned that one of the most important items of the year was going to be presented by the Commission to Parliament in a private session, or at least in a public session in a room separate from this. Therefore the conclusion they came to, which they wish to recommend to this House, is that we find 15 minutes for a presentation by the Commissioner to this House, and then any questions which Members wish to put to the Commissioner could be put in public session in another room. Thus we get a presentation to the

¹ Approval of minutes — Membership of Committees — Petitions — Transfer of appropriations — Motions for resolutions (Rule 49 of the Rules of Procedure) — Authorization of reports Referral to committee — Documents received — Application of the Rules of Procedure: See Minutes.

² See Minutes.

Plumb

House and do not take any further time for debate. That can take place for the 30 or 50 minutes, however many minutes you wish, set aside for discussion in a room separate from this Chamber.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, I quite understand your concern about the agenda, and I quite understand your concern not to allow a debate to begin in the Chamber on the basis of what will be purely oral information given by the Commissioner, if indeed he is in a position to make a statement at all. But I do think that since the Commission will be making decisions which will govern the larger part of the budget, which is the major topic of this week, it is curious if we, as a democratic institution, do not give him the opportunity of making a statement. I think then, Mr President, that the actual analysis of the statement — the detailed questions — do properly belong to the Committee on Agriculture, and the committee could then convene immediately. I would also say, Mr President, that I think it probably is the job of the Committee on Agriculture to decide whether that would be an open meeting or a closed meeting.

President. — That is right, Mr Curry, it is the competence of the Committee on Agriculture to decide on whether it is an open or a closed meeting. However, the problem for the House is that, according to the Rules, if a Commissioner makes a statement on behalf of the Commission, there follows a period of questions and answers. It is absolutely impossible to find time in Wednesday's agenda for that period of questions and answers, and it will be extremely difficult, in view of the statements the presidency has to make, to find the time necessary to have a full statement by the Commission on agricultural prices. That is why the proposal did not come forward to put Mr Dalsager on the agenda.

I shall now call two speakers — one for, one against.

Sir James Scott-Hopkins (ED). — I am speaking against the proposal you have put to the House, Mr President, not only for the reason already given by my colleague, Mr Curry, but also because of the precedent you are setting by so doing. It is the temptation of every Commissioner to make a statement privately outside this House — not in the full glare of publicity here. This is a precedent which is not to be followed and not to be encouraged. Since this is the most important issue of the year, apart from the budget, I think it would be a grave mistake for this House to allow a Commissioner to make a statement of this importance to a meeting, either closed or open, of a committee outside this House.

Therefore I do hope that you and the House will decide that, even though the time is pressing, a quarter of an hour's statement by Commissioner Dalsager on

agricultural prices — assuming that he has got that determination from the Commission — will take place on Tuesday morning. The House can perfectly well forgo its right to ask him questions, and, assuming that the Committee on Agriculture will allow all Members who wish to do so to attend that meeting, those questions can be put in that committee some time during the day. However, it really is essential and vital that that announcement by the Commissioner should be made here in this House in plenary session.

(Applause from the European Democratic Group)

President. — I note that no-one wishes to speak in favour of the proposal. I therefore call the Commission.

Mr Andriessen, Member of the Commission. — (NL) Very briefly, Mr President, I would just like to make it quite clear to the House that, in the discussions held earlier this morning, the Commission expressed its preference for the making of the statement to the full plenary sitting, adding, however, that it was prepared to come to another arrangement, should the House so wish. Were the House to get the erroneous impression that the Commission's preference was for the procedure now being put forward, then I would have to take issue emphatically with Sir James Scott-Hopkins on this point.

Mr Arndt (S). — (DE) Mr President, what must I do if I want the Commissioner to make a statement in the House and then to put questions pursuant to the Rules of Procedure?

President. — The enlarged Bureau has submitted an order of business for this week. The European Democratic Group has now requested that the agenda be so amended as to include a Commission statement on agricultural prices at 9 a.m. on Wednesday lasting about 15 minutes, without questions being put to the Commission.

(Parliament agreed to the request)

Mr Sutra (S). — (FR) Mr President, Mr Andriessen told us that the Commission would have preferred this to be done in a different way. It is too late now but we might at least ask how the Commission would have liked us to proceed. Common politeness makes it appropriate for Parliament to do that.

Mrs Ewing (DEP). — Mr President, can we have your assurance that there will be no change in the hour of Question Time, either on Tuesday or on Wednesday, as what happened at the last part-session was really quite disgraceful?

President. — As far as I am concerned, you have the assurance. I hope that Parliament doesn't decide otherwise.

Mr Edward Kellett-Bowman (ED). — Mr President, I heard you say that the voting on the first reading of supplementary budget No 1 will be tomorrow, Tuesday, but I did not hear you state the time.

President. — Mr Kellett-Bowman, if you read the agenda, the only voting time scheduled is at 6 o'clock.

Mr Edward Kellett-Bowman (ED). — Then you may be surprised, Mr President, to hear that the Directorate-General for Sessional and General Services sent round a communication dated 6 December proposing that the vote on the first reading should be from 2 p.m. to 6 p.m. tomorrow.

President. — I hear from authorized sources that it was an unusual error!

(Laughter)

Mr Pearce (ED). — Mr President, I wish to enquire from you under which Rule and at what time I may inform Parliament that I will be taking up with the Court of Auditors the fact that the subsidy of 13 pence per 250-gramme pack from Community funds on butter in intervention stocks put on the UK market — Christmas butter, that is — seems unlikely to be passed on fully, directly and recognizably to the purchaser of the butter and that the Court should watch out that these Community funds are used in the way intended by the Commission, as indicated to Parliament.

When may I raise that issue, Mr President?

President. — Well, Mr Pearce, I think the only way to bring the matter to the attention of the Court of Auditors is the way you have done it now, because we have no established and institutionalized dialogue with the Court of Auditors. Perhaps you could also write to them in order to inform them. In this case that is the only procedure. You can come back to the problem again on the occasion of the annual report of the Court of Auditors in the context of the discharge procedure, or a specific report.

Mr Rogalla (S). — *(DE)* Mr President, the time-limit for tabling amendments to the reports by Mr von Wogau and Mrs Desouches on the customs union was originally 12 noon on Friday, 10 December. In the meantime, a new aspect has emerged in that I have received from the Commission a very detailed answer to a written question on the legal bases which the

Commission believes apply to the free movement of persons. This would result in an amendment to the von Wogau report. I would therefore be grateful if you could propose to the House pursuant to Rule 53(3) that the time-limit for the tabling of amendments to the von Wogau report should be extended until 12 noon tomorrow.

(Parliament agreed to Mr Rogalla's request.)

Mr Kirk (ED). — *(DA)* I have an item of information for you, Mr President. I have a report on the agenda for Thursday, item 247, and I think that the Committee on Agriculture wants to discuss it. It will be presented without debate. That might perhaps lighten the burden on the timetable somewhat.

President. — Yes, we decided this morning that it would be without debate.¹

(Parliament adopted the draft agenda thus amended)

3. Deadline for tabling amendments

President. — I would point out that the deadline for tabling amendments to items on the agenda has expired except for the budget reports, on account of their late publication and the business in plenary session. The deadline for tabling amendments to the motions for resolutions could be extended until 8 p.m. on Monday, 13 December since the deadline for tabling amendments to the budget and to the proposals for a regulation proper remain unchanged. I understand there is a problem with the French version of the Barbarella report.

The text has been sent by road from Luxembourg and will be available at 5 p.m. There will therefore need to be a slightly longer deadline for the French amendments to the Barbarella report. We might perhaps arrange at 9 p.m. for the French-speaking Members to read the text in French.

Mr von der Vring (S). — *(DE)* Mr President, at the last part-session on the same issue you recommended that I cycle to Luxembourg. Is that what you now recommend to other colleagues?

(Laughter)

Mr De Goede (NI). — *(NL)* Mr President, during the last part-session there was an exchange of views,

¹ Regulation on the indication of origin of certain textile products imported from third countries — speaking time: see Minutes.

De Goede

although I did not desire to be involved, on a public statement which you made on behalf of the European Parliament. Would you now be kind enough to allow me to say a few words concerning a statement which, to the best of my knowledge, you have not yet made, concerning the horrendous events taking place in one of our Lomé Convention states, Surinam. You may well ask why I have chosen this particular moment. It is true that Thursday has been set aside for debating motions of urgency, and indeed I feel sure that this subject will figure prominently at that time, but Council is meeting today and tomorrow. Furthermore the Commission is meeting tomorrow and I sincerely hope that, following the lead given by the governments of the Netherlands and the United States, measures will be set in motion and public utterances made to express the horror at the events taking place in that country, and I would set great store by declarations on this matter from the President of our institution and from the Council, which is, as already indicated, meeting today and tomorrow, being added to the numerous utterances already made. Indeed the Commissioner, who is present in the House today . . .

President. — Mr De Goede, there is no point in going deeply into this matter. You have outlined the situation and I think that all of us have reacted with shock to the events in Surinam, but the only way to get it placed on Parliament's agenda is by way of an urgency debate on Thursday and if you want the Council or Commission to make a statement on it, you must get in touch with those bodies one way or another. I do not believe we can settle that sort of thing by means of the agenda.

Mr De Goede (NI). — (NL) Well, I just hope that it does indeed come up for urgent debate on Thursday, Mr President.

President. — I propose that we set the deadline for requests to speak on all the budgetary reports entered on the agenda for Tuesday, 14 December at 8 p.m. this evening.

Are there any comments?

That is agreed.

4. Action taken on the opinions of Parliament

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

Sir James Scott-Hopkins (ED). — Just as a matter of interest, Mr President, I wonder if, following the meeting of the Council at which the import of seal-skins into the Community was considered, the Commissioner could comment on whether the Commission intends to modify its proposal.

Mr Andriessen, Member of the Commission. — (NL) To the best of my knowledge the Council intends to take up the matter once again, on this coming Friday, 17 December. The Commission has no intention of modifying its proposal on this matter.

Mr Enright (S). — In paragraph C(5) on page 4, referring to Mr Boyes' very able report on the poverty programme, the Commission says that 'the European Parliament will be kept informed'. Now that does not assure us of the real and urgent action that is desperately needed at the moment? Will the Commissioner give us an assurance that the Commission will pursue this matter as actively as it possibly can?

Mr Andriessen, Member of the Commission. — (NL) Mr President, I can give an unequivocal affirmation.

Mr Bangemann (L). — (DE) Mr President, on page 1 of its written communication the Commission states that, following its proposal for a regulation concerning limited action in the area of transport infrastructure, it has received from the Council a very precise mandate under which it may conduct negotiations with Austria on anything — except money! Where cooperation with Austria is concerned, this is, of course, very unsatisfactory, because the injustice is that we use Austria as a kind of transit country without paying any kind of financial compensation.

I would therefore ask the Commissioner how he sees this negotiating mandate. Does he think that what has so far been heard from Austria will be enough for worthwhile results to be achieved? It is not enough, after all, simply to talk about various routes without telling Austria what we might be willing to pay. I should therefore like to hear what the Commissioner thinks of this negotiating mandate.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Commission itself is far from satisfied with the brief it has received from the Council, regarding these negotiations. It would have preferred its mandate to be widened to include some financial aspects. It intends to continue urging upon the Council the necessity of a wider brief.

¹ See Annex II.

5. Votes¹

IN THE CHAIR: MR ESTGEN

Vice-President

6. Law of the sea

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

- the report by Mr Vié, drawn up on behalf of the Legal Affairs Committee, on the signature and ratification of the Convention on the Law of the Sea (Doc. 1-793/82)
- the report by Mrs Spaak, drawn up on behalf of the Committee on the Environment, Public Health and Consumer Protection, concerning deep seabed mining and the marine environment (Doc. 1-688/82).

Mr Vié (DEP), Rapporteur. — (FR) Mr President, ladies and gentlemen, the report which I am now submitting to you on behalf of the Legal Affairs Committee relates to an area of exceptional importance: the Law of the Sea.

Its importance is exceptional in quantitative terms because the area of the sea represents close on twice that of the land mass; it is also exceptionally important because essential aspects of the life of our countries are dependent on the sea: freedom of movement and hence the security of supplies, the extension of international trade and closer links between the peoples bringing greater prospects of peace; then again there is the aspect of access to vast resources of food, energy and a reservoir of raw materials holding out the prospect of progress and prosperity for the population of the world. The exceptional importance of this subject is also apparent even to an unformed observer from the length of the discussions — 88 weeks over a period of nine years — and the bitterness of the controversy to which adoption of the convention does not put an end.

It might seem strange or scandalous, depending on your point of view, that our Parliament should only be dealing with this matter after the event, i.e. after the Convention was signed by 119 countries last Friday. Mrs Veil, the chairman of the Legal Affairs Committee to whom I wish to pay tribute, attempted unsuccessfully to have this debate included on the

agenda of the last part-session which would have enhanced the standing of our Parliament. Of course our agendas are always very full but, in my personal capacity, I feel bound to deplore the fact that our Parliament has been prevented in this way from playing its part under effective and appropriate conditions.

Admittedly the matter is not closed, far from it. I am sure Members will bear with me if I inflict on them details of a rather dry calendar which do seem necessary to me to promote greater understanding of this debate.

Firstly, the Convention was adopted on 30 April last by 130 votes to 4 including the USA, with 7 abstentions, including the USSR.

This was followed by the procedure for signing the text which took place last Friday in Jamaica: 119 countries were in favour and 141 countries signed the final act which was a kind of comprehensive minute of the proceedings — that document was also signed by the USA.

Thirdly, the countries which are signatory to the Convention are automatically members of the preparatory committee for the establishment of the international authority which will be responsible for administering the common heritage of mankind represented by the sea outside the limits of the continental shelf; the other countries were merely observers. Unfortunately the Community was not able in its turn to sign the final act because only five Member States signed the Convention. It is therefore not an automatic member of the preparatory committee but simply an observer. I shall return to that in a moment.

Fourthly, the Convention itself will not enter into force until 60 countries have ratified it. In most cases that presupposes a special national law.

Fifthly, pending this application after ratification by 60 countries, the preparatory committee has the authority to deliver exploration permits to 'pioneer investors'.

Sixthly: these investors are either countries which have earmarked more than 30 million dollars by 1 January 1983 (1 January 1985 in the case of developing countries) i.e. France, Japan, India and the USSR, or entities, namely international consortia of which there are four with the USA in a majority associated with a number of industrial countries — Belgium, Canada, Italy, The Netherlands, the Federal Republic of Germany, etc.

Seventhly, during the transitional period, i.e. before ratification by 60 countries, the signature of one single country will be sufficient to lend credit to these consortia whereas after the entry into force of the Convention all the States of which the individuals or bodies constituting these entities are nationals, will have to

¹ See Annex I.

Vié

be parties to the Convention. Despite the regret which I expressed just now, it therefore seems that the Community has by no means had its last word on this matter.

I apologize again for giving you these somewhat dry details; I shall now try to explain clearly the purpose of this report which is not to deal with the Law of the Sea as such with all its political or economic implications — the committees which have been asked for their opinions will be delivering them — but as the title of the document indicates to examine the signing and ratification of the Convention in light of the provisions of Community law.

Even from that strictly juridical angle, this report which reflects the almost unanimous position of the Legal Affairs Committee with 12 votes in favour and 2 abstentions, is in my opinion of considerable importance because it throws full light on the underlying problem which is that of the respective role of our institutions in the life of the Community. First of all the Council is being reminded of the indisputable juridical foundation of Community powers i.e. Articles 210 and 228. The Council is also reminded of Article 5 of the Treaty which requires the Member States to give effect to the obligations deriving from the Treaty.

Then again this report reminds the Commission that it is the custodian of the Treaties and has a duty to make the Member States aware of their obligations if necessary by proceedings in the Court of Justice (Articles 169 and 175). Finally, this report recalls the possibility of prior consultation of the Court of Justice if there is any doubt as to the compatibility of the Convention with the EEC Treaty (Article 228).

This particular Convention contains the important provision that international organizations may sign it if a majority of their members authorize them to do so. In terms of logic that is absurd. Either the Community has the authority to sign through a delegation of sovereignty deriving from the Treaties in which case it needs no approval from the Member States or it has no such authority in which case it needs the approval not of a majority but of all its members. Herein lies the extreme importance of our debate. Beyond the disputes between experts, we are concerned here with nothing less than the role of the Community in international discussions and, within the Community, the correct balance between its different institutions: the Council, Commission, Parliament and Court of Justice.

The Legal Affairs Committee found it unthinkable for Member States to be able to sign individually, without reference to existing Community achievements; hence the vigorous appeal in this report for a Community decision. The peoples of our various countries represented in this Parliament have already been disappointed by the loss of ground in Europe; each one of

us is aware of this through contacts with public opinion in our respective countries. Of the two common policies provided for in the Treaty only the common agricultural policy is operational and we know to what extent its very existence is jeopardized; all our colleagues realize that the whole issue must be given our close attention. No progress has been made upon energy, commercial, economic and research policy and our electors may well feel that the institutions have lost their *raison d'être* and failed in their duty.

To my mind, this debate provides an opportunity to demonstrate that the Parliament will abandon none of its obligations or prerogatives. It is performing its proper role when it reminds the other Community institutions of their obligations. That is why I should like this Parliament to give its unanimous approval to the report, thus providing evidence of its clear-sightedness and determination to contribute to the construction of Europe which, more than ever, is vital for the peace and security of the whole world.

(Applause)

Mrs Spaak (NI), Rapporteur. — (FR) Mr President, ladies and gentlemen, our Parliament has already held several debates and adopted a number of reports and resolutions on the exploitation of the seabed and on the third United Nations Conference of the Law of the Sea. All those texts have laid emphasis on the economic importance for the Community of participation in the exploitation of the mineral and energy resources of the deep seabed given its heavy dependence on external sources of these raw materials. They have all stressed the importance of the Convention on the Law of the Sea which has been laid open for signatures since December 1982 and on which the United Nations has been working since 1973.

It is vital for the Convention to be signed for several reasons which my colleague, Mr Vié, has mentioned: firstly, to ensure legal certainty for activities at sea including exploration and exploitation of the seabed. Secondly, the exercise of those activities by Europe in complete independence; thirdly, protection of the marine environment which is essential to the ecosystem of the land. That aspect is governed by Chapter 12 of the Convention. The Convention cannot be treated as a generally recognized international Law of the Sea unless it is signed and ratified by a large number of states and especially by the major maritime powers of which the Community is one.

Chapter 11 of the Convention relates to exploitation of the deep seabed. It gives rise to serious objections on the part of the Community and, more generally, on the part of those countries which have gained some advance in this area. Once the Convention has been signed by at least 50 countries a preparatory committee will be set up to work out the rules, regulations and procedures needed for its application and func-

Spaak

tioning. The work of that committee will serve to define more precisely the somewhat general terms of the Convention and to determine the conditions under which it is to be applied.

I want to stress two important aspects here.

Firstly, only the signatories to the Convention will have the right to vote in decisions. Secondly, there is a distinction between signing and ratification of the document.

To protect its interests and ensure respect for the criteria of environmental protection, the Community must, as the Commission has proposed, sign the Convention jointly with the Member States. It must defend Community positions without which we shall have no weight in the work of the Preparatory Committee.

The Council and Commission must step up their consultations with the United States and with the other countries which voted against the draft Convention or abstained in April 1982 so as to ensure that they do now sign and take part in the work of the Preparatory Committee.

Let me repeat that ratification will depend on the outcome of that work.

A considerable length of time is liable to elapse before the Convention enters into force. It is important to ensure that the Member States do not adopt legislation, even of a temporary nature, which might be detrimental to the environment or to a European energy policy. The Commission should propose at an early date, as already requested by the European Parliament in April 1981, uniform Community arrangements for undersea exploitation of mineral resources compatible and additional to the provisions proposed in the draft Convention. The Community should encourage research on the mineral resources of the seabed and on the environmental impact of their exploitation.

In this area, the Council and Commission should already at this stage take the necessary steps at international level to obtain recognition of protected zones, an idea which is embodied in American legislation. These would be zones containing representative specimens of marine fauna and flora; no exploitation would be permitted in them and they would in a sense serve as a point of reference.

In conclusion, the report which I am submitting to you is of great importance in several areas: in economic terms as regards the exploitation of the deep seabed; in ecological terms in Chapter 12; and finally, in political terms since it implies the coordination of action at Community level.

Mr van Aerssen (PPE), deputizing for the draftsman of an opinion for the Committee on External Economic

Relations. — (DE) Mr President, ladies and gentlemen, I have been asked by our draftsman, Mr Sayn-Wittgenstein, who is unable to be here at the moment, to make a few comments on the two reports. Firstly, we must thank Mr Vié very much for including the views of the Committee on External Economic Relations in his report. This will enable me to be brief. I should also like to thank Mrs Spaak for once again clearly stating the European position and thus outlining the task to be performed by the Commission and Council

I should just like to say a few words about Chapter 11 of the Law of the Sea Convention. The Committee on External Economic Relations feels that, as it stands, it contravenes the provisions of the General Agreement on Tariffs and Trade and that further thought must therefore be given to ways of overcoming this unfortunate situation. There is a difference between signing and ratifying. We are in favour of the European Community signing the Convention so that it can take part in further negotiations.

The need for this is all the more urgent since many serious problems have been solved in the Convention. For example, we now have legal certainty with respect to a large number of controversial points of international law. Mr Vié is quite right: if a solution is to be found to the problems that remain, it is essential for the European Community to be involved in the Preparatory Committee and so to influence future events. It is also particularly important that we should try to bring political pressure to bear on the Council with a view to its clearly defining the issues which are of common interest and therefore fall within the European Community's terms of reference, thus precluding legal difficulties in this area. Mr Vié has made this very clear in his report.

In my opinion, those who say that a balance has still not been struck in this Convention are right. Too many countries were lucky, successful and also well prepared. But we also have to think of a very large number of developing countries, to whom we are linked by just two conventions. They have been left behind. They have not been given the rights they need.

The first amendment proposed by the Committee on External Economic Relations says that the Community clause must be respected, that we in this Parliament base ourselves on this Community clause. The second amendment calls for the Commission, which is acting as the executive in this case, to be given a primary right to say in the formulation of the Convention in the next two years.

Thirdly, the Council should be required to specify what rights will be covered by this Community clause. It will include the direct application of the Treaties of Rome. Mr Vié has made it very clear that this is still not absolutely clear. It will also include common fishing rights. I would appeal to the Danish Presidency of

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the Council once again to bear this task in particular in mind in the future. It will further include the coordination of environmental protection at Community level, to which Mrs Spaak referred. At all events, existing bilateral agreements must be integrated and further developed, and that is the gist of the fourth amendment proposed by the Committee on External Economic Relations. They must not be sacrificed for the sake of this Convention, because that would deprive us of many opportunities.

We are withdrawing our amendment to paragraph 8, because Mr Vié is himself tabling an amendment which says what we want to say.

Both rapporteurs have our support, and we wish to thank them for expressing the concern we feel in their reports and so emphasizing the primary role to be played by the European Community.

Mr Sieglerschmidt (S). — (DE) Mr President, ladies and gentlemen, the Convention on the Law of the Sea governs matters which are the responsibility of the European Community — as has just been pointed out — and others which are solely the responsibility of the Member States. This in itself indicates the urgent need for the Community to adopt a joint position on questions relating to the Law of the Sea Convention. We know, of course, that five Member States signed the Convention last Friday, and under international law the signing of a convention customarily indicates a declaration of will to ratify it as well.

(Cries of derision)

This means that we can really only go forwards: even if the question of the accession of the Community as such was left aside, there would be serious problems if the other Member States did not eventually sign and ratify the Convention. Even if the majority of six Member States needed for the Community to sign and ratify it was not achieved, the problems I have mentioned would have to be solved.

Even if we disregard these legal difficulties and considerations, which Mr Vié's report discusses in admirable detail and with gratifying accuracy, the question is whether the contents are such that we are justified in wanting to sign the Convention. My group believes that the Convention on the Law of the Sea contains many perfectly acceptable provisions, while others will undoubtedly not find the approval of some Member States, especially those with no or only a relatively short coastline. But, as so often before, a compromise designed to settle worldwide conflicts of interest has again been reached in this case.

The Socialist Group's belief that the positive aspects outweigh the negative stems not least from two specific factors: firstly, the interests of the developing countries are concerned. When wise people say that

the interests of these Third World countries are not properly safeguarded by the Convention, all I can say in reply is that they should kindly leave it to the countries which are in favour of acceding to the Convention on the Law of the Sea, of signing it and ratifying it, to define their own interests. They are surely in a better position to do so than outside advisers.

Furthermore, as so often before — and this is the second point I should like to make — a perhaps imperfect arrangement is still better than none at all. Mr van Aerssen has already said what important matters are governed by the Convention.

We have tabled amendments expressing our support for the signing of the Convention. That is the first step which must be taken jointly, initially by the Member States and then, once the necessary quorum has been reached, by the Community. The Community — the Commission and Council — would be well advised to clarify as many as possible of the doubtful legal points before the Convention is signed and certainly before it is ratified, of course. To support our hope that the Community and the Member States will sign the Convention, we have also proposed the insertion in the preamble of two new paragraphs in which we point out that only those who have signed have a say in the Preparatory Committee. Many of those who are now hesitating will, I believe, eventually accede. They should not therefore leave it until the end of the two year period but sign now. This will enable the Community to sign as well and give it an important right to a say in the decisive details which the Preparatory Committee will be adding to what is in some respects a very generally worded Convention. That is the appeal we make to all concerned.

When the Commission and Council have done what needs to be done, we must — as one amendment rightly states — have the major debate on the ratification of the Convention that must be held, of course, before a final decision can be taken.

Mr Jansen Van Raay (PPE). — (NL) Fellow colleagues, last Friday, 10 December, 119 States and organizations signed the Final Clause of the Draft Convention on the Law of the Sea, in Montego Bay, Jamaica, amongst them, the European Economic Community. Colleague Vié was, in this respect, quite right in pointing out that, as of now, this whole debate has become somewhat superfluous. Nevertheless, it is worthwhile to point out that the Community has not yet adhered to the Convention itself. It is a great pleasure for me, on behalf of the Christian Democrats, to wish colleague Vié every success with his lucid and legally important report, which, fortunately, in the absence of the Commission's adherence, for the present, to the Convention, remains topical.

I have been empowered by our Group to inform the house of the PPE's desire to see the Community

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becoming a fully-fledged adherent to the Draft Convention as such, in addition to its signing of the Final Clause. I should like to add that this in no way implies that there is unanimity in our Group concerning adherence to the Draft Convention by each individual Community Member State for we fully appreciate the difference between Community adherence as such on the one hand, and that of individual Community Member States, on the other. A Luxembourger, for example, whose government has reservations about signing, is in no way being disloyal by voting in this House in favour of the Vié resolution and the Siegler-schmidt-sponsored amendment. We are, after all, talking about a limited area. Whilst it is true that individual adherents to the Draft Convention are precluded from signing only partially, the fact of full adherence by the European Economic Community as such means that it is, *ipso jure*, limited. That area is not, however, unimportant. The Vié report enumerates the following: fishing, freedom of navigation, scientific research of the seabed and its subsoil, environmental protection norms — the subject of colleague Spaak's report — and, in a wider context, freedom of movement for goods, freedom of licensing and open competition. All of these are covered, directly or indirectly, by the Draft Convention on the Law of the Sea, and are matters over which, the European Economic Community, as such, exercises exclusive control. We are, therefore, dealing with areas of crucial importance.

Secondly, I should like to inform the house that, as a result of my Group's desire to see the Community as such adhering fully to the Draft Convention in its entirety, as matters now stand, it should not yet be inferred that we shall also be proponents of ratification in due course. That is an entirely different matter. Nor do I wish to suggest that we have had second thoughts on the matter of ratification, in the meantime. The matter is, let us say, in abeyance. One of the amendments, drawn up by colleague Habsburg, and to which our group has given its unconditional support deals with this specific aspect and I shall gladly leave it to him to go into it in greater detail during his speaking time.

We attribute considerable importance to the aspect of freedom of navigation. I would point out, in this respect, that although the Draft Convention has not yet come into force, important aspects thereof, dealing, amongst others, with freedom of navigation have already, as a result of incorporation into national legal codes, become part of international navigation law.

Mr Prout (ED). — Mr President, my group would first of all like to congratulate Mr Vié on an excellent report.

The draft Convention on the Law of the Sea is a legal hybrid. Parts of it fall within the competence of the Community and parts within the exclusive jurisdiction of the Member States. To the extent that the Com-

munity is competent, Article 228 of the Treaty of Rome applies. That is to say, agreement should be negotiated by the Commission and concluded by the Council after consulting the Parliament.

In numerous resolutions we have pressed for the Community to become a contracting party to the Convention. In its judgment in the Kramer case, the Court declared that Member States participating in international conventions are under a duty both not to enter into any commitment which could hinder the Community in carrying out its tasks and to negotiate on a common basis. Should there be any doubt as to whether or not a matter falls within the Community's competence, the Commission as guardian of the Treaties may obtain the opinion of the Court of Justice.

Unfortunately, Article 228 procedure has not been followed. The Community has not been helped by the fact that the Commission was only granted observer status at the negotiations. Moreover, Articles 2 and 3 of Annex 9 of the Convention permit an international organization to sign if provided a majority of its participating members have signed it first. Now this is in clear contradiction to the requirements of Article 228 of the Treaty of Rome.

Here is a recipe for jurisdictional confusion and Community disarray. We understand that the Netherlands, France, Denmark, Ireland and Greece have decided to sign while the remaining Member States have reservations of one sort or another. The Convention remains open for signature for two years. It is hoped, even at this late stage, that it will be possible to achieve some greater measure of Community agreement. In view of the length of period, such action as is envisaged in Article 5 of the motion for resolution is, in our opinion, premature and we have tabled amendments accordingly.

As long ago as 1973, Parliament raised the problem of recognition of the Communities as a single entity in all international bodies and requested the Commission and the Council to give the matter urgent consideration. We do so again.

Mrs Le Roux (COM). — (FR) Mr President, after years of inaction which fostered the most contradictory unilateral initiatives, the Convention on the Law of the Sea laid open today for signing by the Member States comes at an appropriate juncture to fill a juridical gap which is the source of many disputes and to adapt legal norms to existing or potential practices made possible by the evolution of technology.

We share the hope expressed in the report by Mrs Spaak that the European countries will sign this Convention at an early date. This text is the outcome of many years of complex negotiations. We are aware of the far-reaching importance of the existence of such a convention which anticipates new relations between

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countries and with the common heritage of mankind. This Convention involves nothing less than the issue of the new international economic order which the Communists are fighting for. It is hardly surprising that the opponents of this text include the selfsame countries, led by the United States, which are seeking to perpetuate eternally their domination of the world through the use of force and money.

We welcome the fact that the Convention presents an obstacle to their search for profit and gives an international agency the task of controlling exploitation of the seabed while taking care to establish a source of development for the poorest nations.

Like the Group of 77, we are well aware of the implications of the provisions contained in this Convention. They should spare some of those countries the grave consequences which would arise from uncontrolled exploitation by powerful North American and Japanese companies of polymetallic nodules. The introduction of production plans for certain mineral ores should help to stabilize their prices. That could be an important precedent for the definition of a global strategy on raw materials. Moreover the application of this Convention is urgently necessary to safeguard the marine and coastal environment against the potential dangers of pollution arising from anarchic exploitation: Mrs Spaak clearly highlights this problem in her report.

As regards the proposal that the Community as such should sign this document, we do not see that as the real issue. Quite apart from the juridical aspect of reference to Article 116 for the signing of such a Convention, the underlying credibility of this proposal seems to us to be open to question. What would be the significance of this signature if many Member States did not give the necessary commitment? There would then be legitimate doubts *vis-à-vis* the international community. Some Community countries have already signified their intention not to sign. Do they hope to benefit from the rights opened by this Convention without sharing its responsibilities? This sharing of roles might lead one to think so.

That is why we do not support this proposal that the Convention should be signed by the Community although we do advocate signing by the Member States themselves. The French Communists and Allies hope that the individual countries will sign at the earliest opportunity and that the Convention will enter into force under the best possible conditions.

Mr Sablé (L). — (FR) Mr President, Commissioner, ladies and gentlemen, the Convention which was signed last Friday in Jamaica by 109 countries after nine years of negotiations is one of the most important international agreements to have been concluded since the Second World War in the context of cooperation between the industrialized and developing countries.

This Convention undoubtedly represents progress in the North-South dialogue at a time when that progress was urgently necessary, particularly after the failure of the heavily publicized summits of Cancun and Versailles.

Without being perfect, the Convention creates the necessary texts for the emergence of a new Law of the Sea which will overturn the present rules of customary law and unify national legislation on territorial waters. For the major naval powers it maintains freedom of passage, in particular through straits which are less than 24 nautical miles in width. It enables pollution of the sea to be counteracted and guarantees for each coastal State a wide reserved fisheries zone and, beyond the limit of national jurisdiction, the exploitation of the mineral resources of the deep seabed which are treated as the common heritage of mankind will be ensured by an international agency. The developing countries will thus participate in the exploitation of the wealth to which they would never otherwise have had access; in this way Lomé III will be of vital importance.

It is above all through the creation of exclusive economic zones reserving for each coastal nation sovereign rights over the living and mineral resources of the deep water and marine subsoil up to 200 nautical miles from the coast that the new Law of the Sea introduces effective instruments for future development. We all know that fishing will have a considerable impact on employment in future. It will help to meet the food needs of broad sectors of society which are generally undernourished and although, in the case of the developing countries, the 200 mile zones cover only about one-third of the oceans they do contain some 90 % of the resources at present exploited throughout the world, a relatively large volume belonging to the ACP countries.

With this extension of the 200 mile zone, industrial fishing fleets, in particular those of Japan and the USSR, will have increasingly limited access to the zones which are the richest in fish. This will put an end to spoliation and perhaps hold out real hopes for many countries of the Third World, particularly in the Caribbean.

Of course optimal exploitation of the new fish resources in the exclusive economic zones will often exceed the financial potential of many ACP States. Here it is appropriate to stress the role which Europe can play. By concluding exemplary fishing agreements with a large number of ACP countries, Europe has pursued a policy which has in advance respected the rights that have now emerged from the UN Conference on the Law of the Sea. The Community itself is becoming one of the world's leading maritime powers with the extension to 200 miles of the exclusive economic zone of its overseas departments and territories, be they in the Caribbean or in the Pacific.

Sablé

Who could be better placed than the Community to develop regional cooperation with the neighbouring ACP States in these regions? Ladies and gentlemen, the Community has everything to gain by signing this Convention. Unfortunately it has not yet been able to do so owing to the lack of a majority among the Ten. However, the hope remains that a number of countries will later on join our camp; the Community will then be able to affirm its existence and cohesion and become a fully-fledged member of the Preparatory Committee which will be responsible for drawing up the rules and procedures for implementation of the new Convention. It will thus be able to play a full part in improving a text which, although not perfect, will undoubtedly represent a landmark in history.

Mr Vandemeulebroucke (CDI). — (NL) I wish to extend my warmest congratulations to the rapporteurs of the two reports before the House, colleagues Vié and Spaak. I would like to consider in greater detail the Spaak report which has my full support. I too share the view that the European Community, as contracting party, should adhere to the Draft Convention. Towards the end of her speech, colleague Spaak quite rightly drew attention to the fact that we are not solely concerned here with the wealth of the seabed and the exploitation thereof, but also with marine fauna and flora, for whom protected zones must be recognized at international level.

In this context, Mr President, I should like to draw your attention to the serious problem posed by the Arctic region. A project for this entire region, entitled 'The Arctic pilot project' (APP) is currently under review by the Canadian government. This APP project concerns the exploitation of an extensive natural gas deposit in Melville Bay. It is intended that these deposits be transported aboard giant icebreakers to the South-Eastern coast of Canada, a matter of some importance, given the interest expressed in the project by France and the Federal Republic of Germany. We know from experience that Canada at one time invoked Article 234 of the Convention on the Law of the Sea to prevent passage by an icebreaker through this Arctic region, subsequent to which the Canadian parliament adopted its own law. The question now is whether the Arctic Pilot Project, a matter of far-reaching consequences, will not wreak irreparable havoc upon marine animal life in the Arctic region as well as upon the indigenous inhabitants of Greenland. The question is whether the European Community will lend its support to Greenland and, by extension, Denmark, in invoking Article 234 of the International Convention on the Law of the Sea. We shall be having a debate in the future on a possible withdrawal of Greenland from the European Community. It goes without saying that it is a matter of critical importance for them that projects such as the APP should not have precedence.

There is more at stake here than the exploitation of the rich mineral deposits in the seabed. We are talking

about the very survival of the whole Arctic way of life and of its entire fauna and flora. I look forward to the House giving unanimous approval to the Spaak report and trust that it will be equally consistent in its solidarity with the inhabitants of Greenland.

Mr Eisma (NI). — (NL) We would also like to congratulate colleagues Vié and Spaak on their excellent reports. It is not a good omen that a number of major industrial States, amongst whom, several EEC Member States have not signed the Draft Convention on the Law of the Sea. It is regrettable firstly in that it weakens the effectiveness of the Convention as such in dealing, primarily, with the behaviour of the United States. Secondly, it illustrates the alarming discord among the Community Member States in such a crucial area of international law and of foreign and commercial policy.

We also consider it vitally important that Community Member States who have not yet done so, should still sign and subsequently ratify the Draft Convention. Such EEC unanimity would permit the greatest possible pressure to be brought to bear upon the United States in an effort to prevail upon the latter to accept the hard-won compromise.

The crux of the matter for the United States and a number of Member States is the exploitation of the mineral resources of the seabed; they believe that private enterprise will have too little room for manoeuvre. In this context it can do no harm to point out that, of the various consortia which have been set up with a view to the future commercial exploration and exploitation of the seabed, there has been much talk of European and North American joint ventures. Despite the restrictions on their activities as contained in the Draft Convention, many of these European — and a good deal of the North American — firms accept the terms of the new Draft Convention; and indeed prefer it to the inevitable anarchy which would prevail in the absence of such a Convention. They too believe a system of commercial exploitation carried out by enterprises subject to national legislation, to be undesirable. The Draft Convention on the Law of the Sea affords these consortia the greatest security concerning their investments in deep seabed mining.

Should the Convention fail to be ratified the resultant free-for-all will not be restricted to the exploitation of the seabed but will spread to other areas of marine law which the Convention intends to regulate. The danger then exists that conflicts arising from such a chaotic state of affairs would tend to be solved by threats of, or even the actual resort to, violence. Even those States which still have reservations about parts of the Convention have much to gain, economically and militarily, through the Convention's other stipulations. The only surprising aspect is that they apparently have not yet recognized this sufficiently.

Eisma

Mr President, I shall close by saying that the Convention on the Law of the Sea represents a breakthrough in the field of international law. It is the first important legal area which has come into existence as a result of negotiations at which the developing countries were present. They justifiably attach a great deal of importance to it. As a result the Convention may be said to have taken a step towards becoming a just international order. Without doubt, this Convention is a compromise and, as such, far from ideal but it is far better than nothing at all; hence our feeling that all of the Community Member States and the Community as such should range themselves behind this Convention on the Law of the Sea.

Mr Collins (S), chairman of the Committee on the Environment, Public Health and Consumer Protection.

— Mr President, first of all I should like to add my voice to that of the chairman of the Legal Affairs Committee. I do think, as chairman of the Committee on the Environment, Public Health and Consumer Protection, that this debate would have made a great deal more sense had it taken place last month. I hope the Bureau will in future take note of demands of this kind.

I too want to turn the attention of Parliament again to the environmental aspects of the Law of the Sea. In doing so I want to commend the work done by the Committee on the Environment's rapporteur, Mrs Spaak, and to speak in favour of her report.

The problems themselves, Mr President, are clear enough. In the first place we know of the existence of the polymetallic nodules. We know of their widespread distribution and we know something of their immense potential value. This value is economic in the sense that new sources of metallic ores may be made available to replace the dwindling traditional sources, and they are of strategic value because access to them will clearly affect a country's capacity to sustain an industry-based economy in the future.

Secondly, exploitation of these resources, even though this is unlikely on any substantial scale in the near future, will still have an important and probably irreversible effect on the marine and therefore on the global environment. I say 'probably' because one of our great difficulties is that we know so very little about the deep ocean bed. The late and much respected Lord Ritchie Calder, who cooperated with me in framing the resolution on which this report is based, used to say that our knowledge of the ocean bed is about the equivalent of learning the geography of the earth by sitting above the cloud layer and dropping an occasional small net to the ground and then examining its contents when it is pulled up. That means, of course, that in exploiting the resources of metallic nodules we will inevitably disturb areas about whose ecology we know very little. I hardly need to remind Members of this Parliament of the importance of the

marine environment to the continued health and habitability of the earth itself. Therefore, we would argue, both in the Committee on the Environment, Public Health and Consumer Protection and in the Socialist Group, that international controls are essential.

The Law of the Sea's doctrine that the resources of the open sea should be seen as the common heritage of mankind finds support in our group, and we believe that it represents an important and heartening development in international cooperation. It is therefore sad to find that certain Community Member States — the United Kingdom, Germany, Belgium and Italy included — have failed to support the United Nations and have thus given support to President Reagan's view that the Treaty, as it stands, will inhibit free-enterprise exploitation.

Mr President, I would conclude very briefly by saying that free uncontrolled exploitation is the last thing we want. It would be unfair to the nations of the Third World, it would be destructive of the marine environment, it would be shortsighted and against Europe's long-term interests and it would merely represent subservience to the interests of President Reagan and the international mining companies. On all of these grounds we in the Socialist Group support Mrs Spaak's report. The group wants to ensure that the Community itself will play a role in the future control and conservation of the resources of the marine environment.

Mr Habsburg (PPE). — (DE) Mr President, I wish many more reports were as good as Mr Vié's and Mrs Spaak's. What is important about the Vié report is that — and I do not want to discuss the contents now — it principally broaches legal questions, while Mrs Spaak deals with a limited aspect of the draft Convention. I am sorry that Parliament was not consulted earlier and to a greater extent on this issue, and I am also extremely sorry that the Political Affairs Committee did not draw up a report or an opinion on this eminently politically question.

I recommend to the House in particular four amendments which I have tabled on behalf of the Group of the European People's Party. As regards the Vié report, I have tabled an amendment seeking to replace paragraph 9a with a new text designed to ensure that Parliament has sufficient opportunity to discuss the Convention before it is ratified. I have tabled an amendment to paragraph 9 because I believe it would be foolhardy to sound the retreat in a statement at this stage. When you negotiate, you must begin by demanding everything. Then you may be able to go on negotiating. But you must not say from the outset: we are prepared to withdraw to a different position.

The two amendments to the Spaak report have been tabled because we feel that paragraphs 3 and 4 detract from the harmony of the report and raise legal ques-

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tions which do not really have any place in a report on environmental questions.

I consider it important — and this debate confirms my view — for us to continue to give serious consideration to this matter. We have plenty of time, and it is hardly surprising that opinions should differ here. I believe that the German Government acted quite correctly, but we should discuss these matters quite openly and sincerely. I call on you, therefore, to back the idea that it is essential for Parliament to consider the Convention in depth before it is ratified.

Mr Psemazoglou (NI). — (GR) Mr President, first of all I want to express my great satisfaction with the report by the Legal Affairs Committee and with Mr Vié's very thorough introduction, and I want also to stress the importance of Mrs Spaak's likewise very thorough report. The issue is of profound importance and I think Parliament went seriously amiss in not debating it during the November part-session. If this had been done a clear recommendation from Parliament would have been available in time for the meeting of the Council of Ministers held a few days ago at which negative decisions were taken concerning the signing of the Convention on the Law of the Sea at the outset by the Community as such and on referring the matter back to the Commission.

On the other hand the proposal made by the Commission was, in my view, very well thought out and it is a pity, in view of our wish for the European Community to sign the Convention on the Law of the Sea and to participate in laying down the necessary procedures for the operation of the Convention, that we ourselves did not adhere closely to its conclusions.

I want to point out, Mr President, that the greater part of the Convention, and specifically its first ten parts, is really a confirmation and codification of principles and rules governing the Law of the Sea which are already in application and internationally recognized as binding. One such rule is that making provision for the extension of territorial waters to 12 miles, and just such a principle is contained in the affirmation that islands have their own equivalent of a continental shelf.

Acceptance by the European Community of these rules is extremely important if arbitrary acts, acts which in many parts of the world could possibly lead to conflict, are to be stopped, or at least limited and brought under control. In our opinion the first ten parts of the Convention on the Law of the Sea are, like most of it, generally acceptable, and we think that the Convention should be signed by all and that it would have been in the direct interest of the European Community for it to have participated in the formulation of procedures.

There is controversy in particular about Part XI which refers to the establishment of an international auth-

ority and to the procedures for governing deep-sea mining. It is inconceivable that objections and disagreements on this point cannot be overcome. I noted carefully what Mr Von Habsburg had to say a little earlier and in my view the Community is able to play a role in formulating these procedures and it could play an active part in surmounting disagreements and in shaping a text which is generally acceptable. For this to happen, however, it is necessary for the European Community to sign the Convention as a single entity, as a self-contained unity, so that it can play a part in all these processes. This would not prevent the Community from refusing to ratify the Convention if the difficulties turned out to be insurmountable.

Mr President, I believe that we must maintain a resolute and positive stand on the issue of the Convention. The European Community is the greatest trading and shipping power in the world, and for it not to participate in the procedural tasks to be undertaken would be absurd. In my own country, which has a great merchant shipping tradition and a rich island history, interest in the matter is very lively.

I consider it essential for the European Community to play an active role in the final formulation and application of the Convention on the Law of the Sea.

Mr Bournias (PPE). — (GR) Mr President, coming as it does after nine years of tribulation and disagreement the new Convention on the Law of the Sea reveals two disheartening facts about the countries of the West. Firstly, it shows a sharpening of the differences that exist between these countries themselves and between them and other countries of the world and, secondly — despite all the fine words — it demonstrates the difficulty involved in achieving a real understanding between rich and poor countries. Today's 'Le Monde' is indeed right to say that this issue which began with the good of humanity in mind has come to a close without the various national egotisms having been expunged.

On a more specific note, with reference to the Vié and Spaak reports, those of us who belong to the New Democracy Party intend to support the respective motions for resolutions because we dissent from the view that the Treaties of the Community do not provide legal grounds for the Community as such to sign the Convention and that these grounds exist only for Member States acting separately. We consider that if these grounds did not already exist by virtue of Articles 210 and 228 of the EEC Treaty we would need to create them because it is just not credible that the Community should be a mere observer with regard to a great international issue of unforeseeable future dimensions. But we shall vote in favour of the reports for yet another reason, Mr President, namely that we belong to a small maritime country — as my compatriot Mr Psemazoglou has just said — which has many islands and a long coastline, and consequently we can-

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not remain indifferent about the final legal settlement of the two matters which concern our country directly; these are, firstly, the extension of territorial waters to twelve miles and, secondly, the recognition that each country has exclusive fishing and oil rights over a 200-mile coastal zone.

Mr Alexiadis (NI). — (GR) Mr President and colleagues, it is saddening that division exists among the Member States of the EEC on a matter so crucial as the Law of the Sea, and it is even more saddening that this division has become apparent over one of the Convention's main points, namely the exploitation of marine and deep seabed wealth which is a common heritage...

(The speaker continues unheard at this point because of a technical fault)

... better future for her peoples whether they live in countries bordering the sea or not. Instead of choosing the only democratic and just solution for dealing with the exploitation of this vast wealth in the name of and for the benefit of the Community as a whole the selfish view has prevailed of allowing certain parties exclusive access to it on the pretext that they alone possess the necessary economic and technological means. It is perhaps rather bold, but in essence regrettably true, to say that the old colonial domination of the land masses of our planet has been superseded nowadays by a new form of colonialism whose protagonists claim control over the resources of the oceans. Under such an order of things wordy and oft-repeated declarations concerning the need to narrow the gulf between North and South, between the developed and underdeveloped and between countries unequally favoured by nature becomes so much frivolous talk. And it goes without saying that in circumstances like these effective protection of the marine environment would become just about impossible because such regimes for the extraction of wealth quite naturally accord top priority to economic efficiency, to private expediency that is, and not to the maximization of the social interest, to the good of society as a whole.

It is possible in this matter for the European Parliament, the product of the free democratic consciousness of the peoples of this old continent, to express chagrin over this grave error and at the same time its wish for the mistake to be speedily rectified. By adopting such a position it would demonstrate that Europe remains always the truest champion of the great ideals of justice, of equality of opportunity, of the equitable distribution of our planet's wealth and of shared prosperity. The Convention which became open for signature a few days ago makes an important contribution to the codification and the stability of the Law of the Sea. Given what I have said earlier the EEC as a whole and its Member States individually should go ahead and sign the Convention.

Mr Andriessen, Member of the Commission. — (NL) Mr President, one can easily appreciate why Parliament has felt it necessary to devote two reports to a subject of such importance as that which we are dealing with today. There can be no doubt that we are dealing here with a large-scale venture which may be considered, in more ways than one, as unique in the annals of the evolution of international law.

Such a description befits both the positive and negative aspects of such an operation and the Commission would be the first to recognize the shortcomings of this Draft Convention before the House today or that there is every occasion — and happily a possibility too — to delete the contentious paragraphs in the course of future deliberations.

I would like to begin, Mr President, by congratulating Mr Vié and Mrs Spaak on their exhaustive reports of which the quality conforms to the scale of the topic under review. That topic concerns more than the exclusively maritime States. It raises the full spectre of the dilemma of the developing countries. As such the Commission, heartened by the attention thus being focused on this problem area, believes it to be a positive aspect which should be taken into account in any overall assessment of the Convention.

The Final Clause of the Draft Convention was signed on the last day of the Conference which took place a few days ago, 6-10 December 1982 in Montego Bay, Jamaica, which paved the way for the ratification procedure, thus initiated as of 10 December 1982.

Mr President, the European Community is the sole international organization which, by virtue of the powers vested in her in clearly delineated areas by the Treaty of Rome, is explicitly eligible as a signatory to both the Final Clause and the Draft Convention itself. Without going into the specific powers delegated to the European Community by virtue of the Treaty of Rome, a repetition of which would be superfluous, I would mention in passing that they have been summarized in the Vié and Spaak reports and have also been brought to the fore by various members of the House who preceded me in this debate.

These powers are real and, one may even say, of vital importance for the further development of the Community and it should thus be recognized that the Community as such has the authority to participate as a contracting party in this international legal operation, a matter of some considerable significance.

A number of speakers have referred to the Community's signing of the Draft Convention being conditional upon the prior signing by a majority of the individual Community Member States (regarding which I would refer the Members to Annex 9, Article 2 of the Draft Convention).

The honourable Member Prout has just suggested that such a procedure is a clear contravention of the provi-

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sions of Article 228 of the Treaty of Rome. The Commission does not share this view. Given that Article 228 stipulates that the Commission is the competent body in matters of external negotiations and commitments to be later concluded by the Council, after consulting Parliament, where required, one has to consider that, within the United Nations, the Community has been allocated no more than observer status, which implies in this specific case, that the negotiations on the Draft Convention were in fact conducted by the Member State entrusted with the Presidency of the Council at the time. One might say that, in this specific case, as a consequence of the unique situation, the Community, i.e. the Commission, acted through the person of the Council presidency. Without doubt, the Commission made an active contribution in coordinating matters, endeavouring throughout to achieve an optimum Community line from the Member States, but was helpless in trying to pre-empt the cleavage which finally surfaced among the Member States.

Mr President, we are now faced with a situation in which only five of the ten Community Member States signed the Final Clause of the Draft Convention in Jamaica last Friday, 10 December 1982, and in so doing, also made a common declaration, which has ramifications for the position of the Community at this point in time.

This declaration reads, more or less, as follows: 'My country's representative, in signing the Final Clause of this Draft Convention, declares that his country is a member of the European Economic Community which signifies that it has, by virtue of the founding Treaty of the aforementioned Community, delegated powers to it in clearly delineated areas governed by that Treaty', with the remark: 'Additional information on the nature and extent of these delegated powers will be communicated, in conformity with Annex 9 of the Draft Convention in due course'.

Mr President, the fact that no more than half of the Community Member States signed the Final Clause, means that the Community must be considered, at this point in time, as not being a party to the Draft Convention's Final Clause. My fellow Commissioner, Narjes, speaking before the Council on 23 November 1982 has already indicated that a declaration on the lines of that which was added by the Community Member State signatories to the Final Clause to be incompatible with Community law, adding that the Commission would take the necessary measures to rectify the situation. The Commission considers this declaration unsatisfactory because it fails to specify that eventual ratification of the Draft Convention by the individual Community Member State signatories to the Final Clause is, in conformity with Article 5 of the Treaty of Rome, contingent upon the Community itself as such, signing the Draft Convention. This means that the Commission must, on the one hand, endeavour to ensure that there are more than 5 signa-

tories to the Final Clause and, by extension, to the Draft Convention itself, thereby paving the way for the Community, as such, to adhere to the Draft Convention whilst, on the other hand, taking great pains to obtain a declaration which recognizes the substantial authority vested in the Community as such, by virtue of the Treaty of Rome. The Commission is thus faced with a dual task, but I can assure the House that it will spare no effort and have recourse to all the available legal and political means with a view to achieving the reciprocal respect of the obligations to which I have just referred, by the Community Member States in question.

In considering a fundamental principle to be involved here, Mr President, I trust I have not gone somewhat overboard in my denunciation, but I just wanted to leave no grounds for ambiguity regarding the Commission's position on the matter. In this respect, given the scheduling of this debate some days after, rather than prior to, the United Nations Conference in Jamaica I would not only concur with the honourable Member Janssen Van Raay that it is somewhat superfluous, but would add furthermore that we are now faced with trying to claw back authority which may be considered as having been (unwittingly) ceded by Community Member States at that conference. In trying to iron out the aforementioned thorny legal issue the Commission can only be heartened by the various declarations and interpretations which have been voiced in the House today, whilst fully partaking of the view expressed by several Members of the House that the whole debate would have had more relevance, had it taken place during a previous session.

Mr President, I believe that we must act with all due haste in order to be well situated for participating in further developments within the terms of the Draft Convention and as such I am not inclined to share the more leisurely approach (no doubt unwittingly given) of the Members of the House who would have us set time-limits for each stage of the proceedings.

Mr President, I begun by saying that this operation has, one might almost say, in-built advantages and disadvantages. In its report to the Council last October, the Commission emphasized its awareness of the Draft Convention's shortcomings in a number of areas, in particular that governing the exploration and commercial exploitation of the ocean seabed, the relevant definition, in the Draft Convention, giving rise to grave concern, in particular, in Community commercial circles. The Commission is aware of the problem and of the doubt expressed by those commercial interests as to the viability of deep seabed mining, under the regulations as they look like emanating from the Draft Convention negotiations.

Nevertheless, the fact that Community commercial interests remain proponents of an international regulation such as that proposed by the Draft Convention

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may be interpreted as an encouraging sign, even if that enthusiasm is tempered by very real reservations about the enforcement of certain parts thereof.

It should nevertheless be clear from the foregoing, that the Commission has warmly commended the Convention to the Member States, seeing in it the sole instrument of legal security in the international maritime arena at present. Furthermore adherence to the Convention brings with it the possibility of actively influencing the course of future events through a voting right in the Convention's deliberations, from which the definitive measures concerning enforcement will emanate, in particular the activities of the preliminary committee. The Commission feels this to be a widely held view among the Members of this House. The Community's ultimate position regarding the Draft Convention will be dependent upon clarifications from the preliminary committee and the progress attained in rendering the whole area of deep seabed mining acceptable to the industrialized countries. Just one remark on marine environment to which the Spaak report paid particular attention. It is natural that the European Parliament, via its Committee on the Environment, Public Health and Consumer Protection, should be particularly interested in research concerning matters of marine environment and the potential risks for the ecosystem posed by deep seabed mining, a concern shared by the Commission. Much more exhaustive research needs to be carried out in this area, on which the Commission should actively set about elaborating a blueprint. But this is not to say that the Commission shares the view that the area of deep seabed mining merits, at this stage, a Community policy. It believes such a policy to be certainly a possibility but the proposal must be in conformity with the terms of the Draft Convention on the Law of the Sea. Given that it has just been decided that a number of the clauses of that Convention are unsatisfactory in their present form and need to be refined and revised at the preliminary committee stage the Commission feels that it should concentrate its energies on moni-

toring these aspects, postponing a Community policy on deep seabed mining to a later date.

Mr President, concerning the preservation of the marine environment the Commission would like to see the individual Member States' legal provisions in this area being better attuned to what is, in a wider international context, likely to be the norm. It feels that the preliminary committee, to which reference has already been made, should take up the matter as early as March 1983.

With regard to the need to undertake research and to the creation of protected zones in areas where the flora and fauna are particularly important I would point out that the United States is far ahead of the Community. Our knowledge in this field is very fragmentary. Hence the Commission's intention, with the help of the governments and in collaboration with the most specialized organizations in the field, of examining the most appropriate means of undertaking research programmes with a view to having a better evaluation and thus more effective means of combating the harmful effects of deep seabed mining.

Mr President, in closing I would like to say that the Commission shares Parliament's opinion on the need for the Community to have a voice in the activities of the Convention as soon as possible, in the manner I have already indicated. I hope that when the Convention eventually comes up for ratification, and the House has had an opportunity of debating it fully, the proposal made by the Commission some time ago concerning the ratification of international agreements, which entail a considerable extension of existing procedures, will be fully operational. Parliament's consultation on the matter would thus be assured.

President. — The debate is closed.

The vote will take place at the next voting time.¹

(The sitting closed at 8 p.m.)

¹ Agenda for next sitting: see Minutes.

ANNEX I

Votes

This Annex indicates the rapporteur's opinion on amendments and reproduces the texts of explanations of vote. For further details of the voting the reader is referred to the minutes.

EYRAUD REPORT (Doc. 1-776/82 Dairy sector): REJECTED¹

The rapporteur was:

- *for* Amendments Nos 25, 26, 29, 36, 44 and 46;
- *against* Amendments Nos 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 22, 27, 30, 33, 35, 37, 38, 39, 40, 41, 43, 45, 47, 49, 50, 54 and 55

Explanations of vote

Mr Bocklet (PPE). — (DE) Mr President, the vote has unfortunately produced a resolution which in itself is incoherent. The paragraph 4 we have adopted essentially conflicts with the paragraph 6 we have adopted. I find this extremely regrettable, and one reason may be that the House is so poorly attended at the moment. Nonetheless, I feel that paragraph 6 makes a major, positive statement, which is why I consider it acceptable to vote for the resolution. However, I should like to take this opportunity to urge once again that all Members, where possible, be present at voting time so that accidents are avoided and our resolutions are coherent.

Mr Pearce (ED). — Mr President, I am going to vote against this report because although there have been a number of useful amendments accepted, it still contains, particularly in paragraph 6, a good few things that are highly undesirable.

This report sets out to penalize those farmers who have set out to make themselves efficient even though, in an earlier paragraph, it talks about maintaining investment. It is rather like trying to ban combine harvesters or to ban tractors. Imagine what would happen in other industries that we are concerned with — with steel, with textiles — other troubled sectors of our economy, if we tried to penalize those people who have made themselves efficient by the large scale of their production. It is nonsense, Mr President, to penalize those who have succeeded. I believe, in fact, that what is happening is that Members from certain Member States have allowed themselves to be unduly influenced by the votes that this sort of sentiment will attract and I think it will be a very sad day if the House approves this report. I urge Members therefore, Mr President, to reject this report.

Mr Tolman (PPE). — (NL) Mr President, I support the principle of a co-responsibility levy in the dairy sector. It is one of the numerous possibilities for reducing overproduction of milk. The present milk levy has not functioned satisfactorily, the money being allocated either too late or not at all. But despite this criticism one has to admit that the new measure is even less satisfactory.

I intend to vote against the report for three reasons. Firstly, because it foresees that 67% i.e. two out of every three producers, will henceforth be exempt, thus reducing unnecessarily the arable surface. Secondly, because of the special levy per 15 000 kg per hectare. As a result of this, the efficient producer and healthy family concern are being punished. I

¹ For the debate on the Eyraud report: see Debates of 18. 11. 1982.

totally reject the system of differential pricing. Thirdly, this levy flagrantly contravenes the fundamental principle that production should be organized where it is deemed to be most cost effective. These, Mr President, are my reasons for voting against the Eyraud Report.

Mrs Pery (S). — (FR) Mr President, ladies and gentlemen, the report on co-responsibility in the dairy sector as now amended does not satisfy the French Socialists.

It did originally have positive aspects. The exemption on the first 60 000 kilos will logically be of benefit to the smallest producers who are numerous in my own part of south-west France and in the deprived mountain areas in general. We should have preferred the exemption to apply to a larger production figure in the order of 120 000 kilos corresponding to a holding of about 40 cows in our regions. We see this as a first step towards progressive tax rates.

Similarly we are in favour of the creation of a special tax applicable to industrial farms producing over 15 000 kilos per hectare. This measure will penalize the principal producers of dairy surpluses.

However, in its amended form this report also has negative aspects to which I would like to draw your attention. We regret the fact that the principle of progressive rates has not been adopted, that no allowance has been made for production costs and that the limitation on substitution products for cereals has not been accepted, thus encouraging overproduction and justifying the imposition of an import tax. Above all, Mr President, we regret the fact that the vote today has gone in favour of a reduction in the intervention price by 2.2%, thus limiting the earnings of small farmers and setting these small-holdings at risk; by the same token, this will increase unemployment in regions which are already underprivileged.

Mr President, I shall therefore abstain in the vote on this report.

Mr Woltjer (S). — (NL) Mr President, listening to my colleagues' explanations of votes leads me to believe that we are not yet at the end of our pains.

If I may, I would like to summarize the report as follows. We believe that, in its present state, the general co-responsibility levy in the dairy sector has been shown to be unviable. Secondly, other measures must be adopted in order to come to grips with the overproduction. We support this view. Thirdly, drastic measures are now called for and that, with a view to restoring the price mechanism at some time in the future the necessary mandate proposals must once more be laid before the Council by the Commission. As such I find the report acceptable to our group and I shall most certainly vote in favour.

Mrs le Roux (COM). — (FR) Mr President, experience has confirmed the validity of the fears of the French Communists and, as we had supposed, the co-responsibility levy has proved unjust, inequitable and inefficient. It has helped to speed up the disappearance of small farmers and the concentration of production in the milk factories of northern Europe.

We approved the original approach of the Eyraud report which allowed for this situation and aimed at abolishing the tax in its present form. We regretted that it did not go far enough; that is why we submitted amendments designed to replace this co-responsibility levy by a special levy on all the milk factories.

Some of the amendments adopted today, and I have in mind in particular the text which approves a 2.2% reduction in intervention prices, profoundly distort the spirit of the report — a fact which we cannot accept.

However, an exemption remains for small farmers and there is to be a tax on the milk factories; we shall therefore abstain while continuing our negotiations aimed at obtaining exemption for the producers in our region.

Mr Eyraud (S). — (FR) Mr President, I have asked to speak in my capacity as rapporteur. Given the votes on the amendments and the explanations of vote, I believe that we should refer this report back to the Committee on Agriculture to give it an opportunity to draw the conclusions from all that has been said today.

President. — We have heard the rapporteur, but there are still some Members who wish to give an explanation of vote.

Mr Kirk (ED). — (DA) Mr President, I feel I must speak against the rapporteur's proposal. We have voted on all the amendments tabled, and it is quite possible that the vote has given rise to a certain imbalance in the report itself, but this is because no attempt has been made in the Committee on Agriculture to bring about agreement on a firm line with regard to the co-responsibility levy. At the time when the co-responsibility levy was adopted by the Commission, it was featured as the miracle cure which would give us control over the rise in Community milk production. Have we succeeded? Has the Commission really succeeded, by means of the co-responsibility levy, in controlling milk production in the Community? No. Why then should we continue to apply a co-responsibility levy under exactly the same criteria? Why should we extend the co-responsibility levy and make it even more bureaucratic than it has been in past years?

My group is against this report. We think it is a bad report, and we want to vote on it. We want it to be completely voted down, so that we can then work out what arrangements are needed to control milk production in the future. Speaking personally, Mr President, I am glad that some of the amendments tabled have been adopted, but this also indicates the direction in which the Committee on Agriculture should channel its work next time we have to decide on our position with regard to the co-responsibility levy. I recommend that all in this Chamber vote against the report.

President. — I shall call Mr de la Malène first and then I shall consult the Assembly on Mr Eyraud's proposal.

Mr de la Malène (DEP). — (FR) Mr President, I would remind you that from the outset, since the idea of a co-responsibility levy was first mooted my group has ceaselessly opposed this tax and will continue to do so. We have seen today a number of disgraceful votes on amendments and the text in its present form is even worse than it was to start with. We shall therefore vote against it.

President. — I shall now consult the Assembly on Mr Eyraud's proposal for referral to Committee. I will call one speaker for and one against.

Mr Herman (PPE). — (FR) Mr President, an attentive reader perusing the paragraphs of this text will wonder whether this Parliament has lost all sense of logic since successive paragraphs are mutually contradictory. That being so and to avoid giving to the outside world the impression of a Parliament which has lost all sanity, I propose reference back to committee.

Mr Gautier (S). — (DE) Mr President, Mr Herman could have made this request during the last part-session as well, considering the way the Christian Democrats voted then. I believe we shall be all right with this report. Nothing worthwhile will come out of a referral to the Committee on Agriculture, because it is obviously not representative of this Parliament. There is therefore no point in referring the report back to the Committee on Agriculture, and we should now proceed to the vote without further delay.

(Applause from the left)

Mr Gautier (S). — (DE) Mr President, might I ask what point there is in explanations of vote like that given by Mr Bocklet when we have votes such as this. It would be interesting to know whether explanations of vote are designed to show the public something or whether they ought not to lead to a given result in the vote.

ANNEX II

Commission action on opinions on its proposals delivered by the European Parliament at its October and November 1982 part-sessions

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of the amendments proposed at the October and November 1982 part-sessions in the framework of parliamentary consultation, and of disaster aid granted.

A. *Commission proposals to which Parliament proposed amendments that the Commission has accepted in whole or in part (October and November 1982 part-sessions)*

1. *Proposal for a regulation concerning a limited action in the field of transport infrastructure (Report by Dame Shelagh Robers)*

- (a) The Commission confirms its endorsement of the proposed amendment adopted by Parliament at its sitting on 15 October 1982. It will alter its proposal in the light of the direction that Council consideration of the proposal takes.
- (b) The Commission consequently has no difficulty in accepting the desire expressed by Parliament in item 7 of the resolution, also adopted on 15 October. As for item 9 of the resolution, it would draw Parliament's attention to the fact that, having regard to the very specific task it is carrying out at present in pursuance of a Council decision on negotiations with Austria and to the need to commit the corresponding appropriation in good time, it cannot undertake to include the Austrian motorway project in its provisional list.

2. *Decision amending for 1983 the research programme that the Joint Research Centre is to carry out for the European Atomic Energy Community and the European Economic Community (1980-83) (Report by Mr Pedini)*

- (a) On 4 November 1982 the Commission sent the Council amendments to the proposal for a Council decision. These amendments embody those adopted at Parliament's plenary sitting on 29 October 1982.
- (b) With regard to the various suggestions to the Commission in the parliamentary resolution concerning, in particular, implementation of the Super-Sara project the Commission is unable to take them into consideration until revision of the JRC programme is approved by the Council. The Council is expected to give its decision on 13 December 1982.

3. *Decision concerning a 5-year research and development programme in the field of applied metrology and reference material — non-nuclear indirect action (1983-87) (Report by Mr Schmid)*

- (a) The amendments adopted by the European Parliament on 16 November 1982 concerning the proposal for a Council decision were submitted to the Commission on 6 December 1982 for approval on 8 December. The amended proposal will be sent to the Council shortly.
- (b) Subject to formal approval, the Commission has thus complied with the request made at 1. in the European Parliament's resolution.

4. *Directive on the setting of limit values for cadmium discharges in the aquatic environment and quality objectives for the level of cadmium in the aquatic environment (Report by Mrs Weber)*

The Commission has accepted 20 proposed amendments and undertaken to amend its proposal to the Council accordingly under the second paragraph of Article 149 of the EEC Treaty.

The main purpose of these amendments is to bring the proposal for a directive, as presented by the Commission, in line with the Directive of 22 March 1982 on limit values and quality objectives for mercury discharges (82/176/EEC).

The text of the amended proposal for the Council directive was approved by the Commission by accelerated written procedure on 30 November and sent to the Council on 2 December.

B. *Commission proposals to which Parliament proposed amendments that the Commission has not felt able to accept*

1. *Proposal for a regulation concerning the recruitment of 56 members of headquarters staff of the European Association for Cooperation* (Report by Mr Lega)

The Commission explained at the debate why it preferred to leave the proposal as it stood.

2. *Regulation prohibiting imports into the Community of skins and products derived from certain types of seal pup* (Report by Mr Collins)

At the plenary debate the Commission said it was unable to alter its proposal as this would upset the balance of the text and reduce the likelihood of its being adopted by the Council.

C. *Commission proposals on which the European Parliament delivered favourable opinions or did not ask for formal amendment* (October and November 1982 part-sessions)

1. Report by Mrs Pery: Resolution closing the parliamentary consultation procedure on the Commission proposal for a decision amending Decision 78/640/EEC on financial participation by the Community in inspection and surveillance operations in the maritime waters of Denmark and Ireland

The European Parliament based its thinking on Article 2 of the Decision of 1978, which provides that the Council is to take a decision before 1 January 1983 on the participation by the Community in the expenditure incurred for the inspection and surveillance of the fishing zones of all the Member States, and pointed out that Community aid should not be restricted to Denmark and Ireland. According to Parliament, the scope of the aid should be extended to include any Member State whose means of surveillance are inadequate in relation to the maritime waters and the wealth of the State in question.

It should be noted in this connection that because of the delay in the adoption of a common fishery policy the need was not felt at the Council discussions to make provision for additional surveillance in other Member States. The time would not appear ripe yet to extend the measures currently in force. Such extension will be considered, if appropriate, when the time comes.

2. Report by Mr Marck; Resolution closing the parliamentary consultation procedure on the Commission proposal for a regulation on more stringent monitoring of the operation of Community rules on agricultural products

Item 3 of the resolution: the Commission will use its available staff for this monitoring. It may request additional staff, who would be responsible more specifically assigned to this task (20 persons planned).

Item 4 of the resolution: should the Commission propose that the Council adopt general implementing rules, the proposal would be submitted to the European Parliament for an opinion (optional consultation). Since the purpose of the envisaged Community monitoring is not solely financial, the Commission sees no need for the Court of Auditors to be involved in the preparation of its proposal.

Item 7 of the resolution: the Commission will supply an annual report on the monitoring carried out under the regulation. To this end the Commission will alter the proposal before the Council.

3. Report by Mr Costanzo: Resolution on the 6th annual Commission report (1980) on the European Regional Development Fund and the Commission communication specifying the types of infrastructure for which the European

Regional Development Fund may grant aid in the various regions assisted by the Fund

The Commission has already stated that it shared the views expressed in the resolution.

With regard to qualitative and quantitative improvements in regional policy, the recommendations made here have also been incorporated in the Commission's proposals for the revision of the ERDF and its proposals for the 1983 budget.

As for the recommendations on infrastructure, the Commission wishes to repeat that the classification it proposed in its communication to the Council is only provisional, and to point out that such a classification must be in line with the different fields of ministerial competence in the various Member States.

4. Report by Mr Eisma: Resolution closing the parliamentary consultation procedure on the Commission communication on the medium-term projections for welfare expenditure and its financing

The Council is expected to approve the Commission communication at its meeting on 10 December, having noted with interest the attitude adopted by Parliament. The Commission will then undertake the work in this field described in the communication, taking the views expressed by Parliament into account.

5. Report by Mr Boyes: Resolution on the Commission's final report on the first programme of pilot projects and studies to combat poverty

On 10 December the Council will most probably approve a series of conclusions after considering the Commission's final report on combating poverty.

In one of these conclusions it is recognized that specific action by the Community is needed if poverty is to be overcome, and hence that the fight must be continued at European level.

The European Parliament will be kept informed.

6. Report by Mr Kaloyannis: Resolution closing the parliamentary consultation procedure on the Commission proposals for:

- (i) a directive amending Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas
- (ii) a regulation amending Regulation (EEC) No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed

Item 6 of the resolution: Regulation 355/77 provides that a report on the financial results of the project is to be sent to the Commission, via his Member State, by the recipient in respect of every project for which assistance from the Fund has been granted.

The Commission has received the first reports relating to a limited number of projects.

It would prefer to wait till it has a sufficient number of reports before drawing general conclusions on the results of the operation of Regulation 355/77.

It should also be noted that the annual EAGGF, Guidance Section, financial report, which is sent to Parliament, contains statistical data on the operation of Regulation 355/77.

7. Report by Mr Vitale: Resolution closing the parliamentary consultation procedure on the Commission proposal for a regulation amending Regulation No 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed

Items 3 and 4 of the resolution: The Commission would point out that the existing rules already provide that the costs to be entered in the application for financing are the expected costs at the time when the work is carried out and not those of the time when the application is made.

However, once the costs have been realistically determined, they may not be revised while approval of the project is under way, as the share that the Community pays is bound up closely with that of the Member State and of the recipient.

Item 5 of the resolution: As Vice-President Davignon said at the plenary discussion, the Commission is open to any suggestions that could be used to improve the existing rules.

It will keep Parliament informed without fail of the main lines it lays down for matters concerning agricultural structures.

8. Report by Mr Veronesi: Resolution on the Commission communications entitled:

- (i) 'Towards a European strategy programme for R & D in information technologies'
- (ii) 'Laying the foundations for a European strategy programme for R & D in information technologies: the pilot phase'

The Commission is doing everything it can to see that the preparatory phase of the strategy programme begins with all due speed, and in drawing up the main programme it will give special consideration to the concern expressed by Parliament, which it fully shares.

The Council session on research unanimously approved this programme on 4 November and asked the Commission to send it a formal proposal for a decision. This has now been done and the European Parliament is expected to deliver its opinion at the plenary sitting on Friday 17 December 1982.

9. Report by Mr Ruffolo: Resolution closing the parliamentary consultation procedure on the Commission proposal concerning the adoption of the annual report on the economic situation in the Community and setting guidelines for economic report in 1983

The Commission explained its position in its communication of 24 November 1982 on 'the economic and social situation in the Community', intended for the European Council on 3 and 4 December 1982. In this document the Commission, in agreement with the lines of action recommended by Parliament, says it considers that:

'Four priorities should inform coordinated action which, by producing an up-turn in economic activity would be capable of achieving medium-term rehabilitation of the economic situation:

- (i) increasing and consolidating action for macro-economic stabilization and improvement of structures wherever necessary;
- (ii) taking appropriate steps to maintain activity and prepare the way for economic recovery where this is possible without jeopardizing the aims of the stabilization and structural improvement policy;
- (iii) increasing concertation at international level so as to reduce the risks of destabilizing movements in different countries or regions;
- (iv) backing up and increasing the job-creating effects of these policies by specific action on the labour market, particularly where unemployment is unequally distributed.'

In the statement the Commission is to make to Parliament on Wednesday 15 December 1982, it will say what action the European Council proposes should be taken on these proposals and on the lines of action relating to investment.

10. Report by Mr Seefeld: Resolution under the parliamentary consultation procedure on the Commission proposal for a regulation amending Regulations (EEC) Nos 3164/76 and 2964/79 on the Community quota for the carriage of goods by road between Member States

The Commission has every intention of proposing that general principles should be laid down for matters relating to the Community quota, in particular, how it should develop in the future and how it should be divided up. The work under way in the Commission departments should make it possible, once the government experts have been consulted, to make a proposal as quickly as requested by Parliament.

11. Report by Mr Petersen: Resolution

- (a) closing the parliamentary consultation procedure on the Commission reports on the operation of Regulations (EEC) 1302/78 and 1303/78 on the granting of financial support for projects to exploit alternative energy sources and demonstration projects in the field of energy-saving,
- (b) on the Community's energy policy in respect of new and renewable sources of energy

The Commission is very pleased that this resolution has been adopted by the European Parliament. Since the first evaluation of demonstration programmes, which was concerned with the years 1979 and 1980, the Commission has prepared a second report on 1981 and the first half of 1982, on which the European Parliament has also given its opinion, on 29 October 1982 (report by Mr Normanton).

In the proposals for new regulations for demonstration projects which are under discussion now, provision is made in Article 5 (3) for the Commission to report periodically to the Council and the European Parliament on the operation of the regulations and dovetailing between national and Community action and for the Council and the European Parliament to state their views on the Commission's reports.

The European Parliament will therefore be able fully to check that the opinions delivered in the two abovementioned resolutions have been taken into consideration and followed by the Commission.

12. Report by Mr Normanton: Resolution closing the parliamentary consultation procedure on:

- (i) the Commission communication on the evaluation of Community demonstration programmes in the field of energy,
- (ii) the Commission proposals for:
 - (a) a regulation on the granting of financial support for demonstration projects in the fields of alternative energy sources, energy-saving and hydrocarbon substitutes,
 - (b) a regulation on the granting of financial support for industrial and demonstration pilot projects in the field of liquefaction and gasification of solid fuels

The Commission will be sending Parliament lists of the members of the advisory committees for demonstration projects and the posts within its departments assigned to demonstration project matters.

D. *Disaster aid accorded since the last part-session*

I. *Emergency aid for third countries*

(a) 5000 t of cereals	for Nepal
350 t of sugar	for Sri Lanka
400 t of milk	} for EL Salvador
500 t of beans	
100 t of butteroil	

SITTING OF TUESDAY, 14 DECEMBER 1982

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IN THE CHAIR: MR LALOR

Vice-President

(The sitting was opened at 9 a.m.)¹

1. Budget

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

— the report (Doc. 1-993/82) by Mr R. Jackson, on behalf of the Committee on Budgets, on

Section III — Commission — of the draft general budget of the European Communities for the financial year 1983, modified by the Council (Doc. 1-955/82).

— the report (Doc. 1-981/82) by Mr Saby, on behalf of the Committee on Budgets, on

the modifications made by the Council to the amendments adopted by Parliament to the following sections:

Section IV — Court of Justice

Section V — Court of Auditors

of the draft general budget of the European Communities for the financial year 1983.

— the report (Doc. 1-991/82) by Mrs Barbarella, on behalf of the Committee on Budgets, on

draft supplementary and amending budget No 1 for the financial year 1982 (Doc. 1-930/82).

— the report (Doc. 1-998/82) by Mrs Barbarella, on behalf of the Committee on Budgets, on

the proposal from the Commission to the Council (Doc. 1-937/82 — COM(82) 727 final) for a regulation instituting a special energy development programme.

— the report (Doc. 1-1004/82) by Mrs Barbarella, on behalf of the Committee on Budgets, on

the proposal from the Commission to the Council (Doc. 1-936/82 — COM(82) 728 final) for a regulation amending Regulation (EEC) No 2744/80 establishing supplementary measures in favour of the United Kingdom.

Mr R. Jackson (ED), general rapporteur. — Mr President, we are now approaching what I devoutly hope will be the final stage of the 1983 budget procedure. I propose to speak first about this final stage, and then to attempt briefly to summarize what, in my view, have been the successes and the failures of our handling of the 1983 budget so far.

Our task today, tomorrow and Thursday is to discuss and then to vote amendments to the draft budget as it has been modified and amended by the Council. We thus exercise our last word over non-compulsory expenditure, all the time taking into account the dimensions of our margin, what remains of it, or, on the other hand, the possibility of increasing the maxi-

¹ Approval of the Minutes — Topical and urgent debate (Announcement of motions for resolutions tabled): see Minutes.

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imum rate. The Committee on Budgets is recommending to the plenary a total sum to be added to the budget which in its view does not require an increase in the maximum rate. The total that we are recommending is 177 million in commitments and 137 million in payments.

Now, we have a problem here. Despite the 30 June agreement, there is, I am afraid, a difference between the European Parliament, the Commission and the Council about the size of this remaining margin. The argument turns on the effect of Transfer 30 on the base for calculating the margin — the so-called *assiette*. Council's position is that the transfer has not affected any increase in the *assiette*, and that therefore the Parliament's margin is already exhausted — so that any increases that we may wish to make at this stage of the procedure will have to be made by way of an increase in the maximum rate, to which of course Council has got to agree.

The Commission's position is that the transfer *has* increased the margin — taking into account some technical points they calculate it as having increased the margin to 155 million in commitments and 73 million in payments. The Parliament's position is, however, that the transfer had a full effect on the *assiette*. This constitutes the basis for the figures which I have already mentioned — the figures on which the Committee on Budgets has been working.

The powerful legal arguments which underlie the Parliament's position are fully set out in the report attached to my resolution (Doc. PE 81/957), so there is no need for me to go through them now. Suffice it to say that the Council has had long notice from the European Parliament about its view on this matter. The point was made clear in the conciliation procedure, and I made it clear in my speech before the second reading.

The fact is that the Council is isolated on this issue, because the European Parliament and the Commission are substantially in agreement. There is a slight difference in the figures between Parliament and Commission, but the Commission accepts Parliament's point of view that the transfer has affected the margin.

There is also another consideration — the 30 June agreement. It really is astonishing that, so shortly after having undertaken such an agreement, the Council should deliberately have chosen to transform a draft supplementary budget submitted by the Commission into a transfer so as in its view, to deprive the Parliament of an additional margin. This is, of course, unacceptable to the Parliament. And it is incompatible with the spirit of the 30 June agreement — which was that we should seek to avoid conflict on these technical and procedural issues.

However, having said this, the Committee on Budgets wants the European Parliament for its part to stand by

the spirit of the 30 June agreement. This is why we are not recommending that Parliament should insist that Council accept our doctrine on the question of the effects of transfers on the calculation of the margin. This point is reflected in paragraphs 9, 10 and 11 of my resolution. All that we are asking, all that we want, all that we insist upon, is that the budget is to be adopted and implemented on the basis of the figures recommended to the House by the Committee on Budgets — not an ECU more, and not an ECU less. This has important implications for Parliament and for our vote on Thursday. It is essential that we do not vote for any amendments which would go beyond our definition of the extent of our margin — which is why I recommend the Budget Committee's package of amendments to the House.

It has been carefully worked out to reflect, on the one hand, the priorities agreed between the groups — i.e. between the coordinators and spokesmen for the different groups in the Committee on Budgets — and on the other hand to reflect the priorities agreed by this House in our Guidelines resolution in April of this year.

Let me recall those priorities: there were two of them. The priorities were that we should try to make a budget which contributed more to the fight against unemployment inside the Community, and more to the fight against hunger in the world outside the Community. Now, we have done well with our efforts in connection with the Social Fund and the Regional Fund at the Council's second reading. I will come back to this point later. The Committee on Budgets therefore considers that our emphasis at this stage must fall on the other of our two priorities — the fight against world hunger. This is reflected in the Committee on Budgets' recommendation that more than half of the total remaining credits should be allocated to Title 9. I hope that the House will adopt these amendments on Thursday. If it does, Parliament will have succeeded this year in following a consistent and effective line in support of its clearly determined priorities — and perhaps we may say that for the first time in five years it should be possible for our President to declare the budget adopted, and for the Commission to implement it, without a challenge from the Council. Of course we expect the Commission to play its part in this, and duly to execute the budget once it is adopted.

This brings me, Mr President, to the brief remarks I would like to make summarizing Parliament's successes and failures so far in the 1983 budget procedure. It seems to me that our evaluation must turn on two sets of questions. Firstly, questions of substance. What have we succeeded in doing to the numbers in the budget and to the policies reflected in those numbers? Secondly, it must turn on questions of procedure. What improvements have we been able to make in the way in which we handle the budget within the European Parliament, between the Parliament and the Commission and between Parliament and Council?

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With respect to the questions of substance, Mr President, it is my assessment of the 1983 budget that we have made real progress with regard to non-compulsory expenditure, but that we have once again failed to make any impression with regard to compulsory expenditure. In spite of all our efforts the Council still refuses dialogue in that field.

Mr President, I have already referred to our priorities for the 1983 budget — the fight against unemployment within the Community and against world hunger outside. We succeeded in April and in July in identifying the Social Fund as the main internal area for improvement. We reckoned that this was a fund which had fallen behind in real terms in spite of the growth in unemployment in the Community, and so we pressed for its improvement and expansion. The result is that we have obtained a 48% increase for the Social Fund over the 1982 initial budget provisions. Of course, this falls short of our aspiration — or our negotiating position — which was to double the size of the Social Fund in the 1983 budget. But we have nevertheless made a major improvement in the position of that Fund. We may not have doubled the size of the Social Fund in a single year, but we have succeeded in increasing it by half as much again — and that is something.

So much for the policy areas where we were seeking to increase expenditure. We have, however, failed in our efforts to contain expenditure in agricultural guarantee — which, of course, constitutes the lion's share of the budget. Or rather, it is not the Parliament that has failed, it is the Council that has failed, since compulsory expenditure is the area in which the Council has the last word. Council continues to insist that this entire sector of the budget is a *chasse gardée* for the Council's exclusive attention — or inattention.

Mr President, the conciliation meetings with the Council were dominated by the debating point that the Council made out of Parliament's vote in connection with the agricultural price-fixing this year. But after what has happened in the treatment of the agricultural budget within the 1983 budget, I must say that I do not expect that there will be any more lectures from the Council about the need for prudence and restraint in the determination of the budget. Compulsory expenditure is proposed to increase by more than 20% over actual expenditure in 1982. No real steps have been taken by the Council, as repeatedly called for by the European Parliament from the Plumb resolution, through to our Guidelines resolution and subsequent resolutions. No real steps have been taken by the Council towards control of the growth of these expenditures. They give us lectures on the need for restraint and prudence when it comes to the areas that Parliament favours — but in respect of Council's own area, agricultural guarantee expenditure, we see no sign of such prudence and restraint.

Mr President, I turn now to the question of procedure and to the improvements we have sought to make in

the procedures for handling the budget. Here I think we can say that we have made some major steps forward. One element is the European Parliament's Guidelines resolution that we adopted in April. In this resolution we gave a full, clear indication of our priorities, and I feel that this has had a significant effect on the Council, reflected in the Council's recognition of our pressure for an increase in the Social Fund.

I must remark, however, that it is a matter for regret that the Commission failed to pay adequate attention to our Guidelines resolution. We had what I think can only be described as a somewhat derisory discussion on the night before the preliminary draft budget was officially adopted by the Commission, in which only two Commissioners participated. Next year I hope that my successor as rapporteur will again have a Guidelines resolution, and that Parliament will work on it as seriously as it did this year. I hope also that we will be able to have a meeting in good time before the decisions about the preliminary draft are made by the Commission — a meeting with the full Commission — so that the full Commission can hear Parliament's evaluation of these matters. After all, it must be said, Mr President, that Parliament's political judgment about the possibilities for the 1983 budget has turned out to be better than the Commission's. The Commission put all its emphasis this year on the expansion of the energy sections of the budget. Well, we too would have liked to have seen such an expansion of the energy sector, but it has turned out that there is no political will in the Council for that. On the other hand, the Council *has* shown a willingness to expand expenditure in the area that we were pressing for, which is the Social Fund.

I do not believe that such a consultation between Parliament and Commission before the adoption of the preliminary draft budget would be an invasion of the Commission's right of initiative. It would merely be an indication by one part of the budgetary authority to the Commission of the way in which we foresee the development of the budget for the subsequent year. I think we can rest our position firmly on a statement made by Commissioner Tugendhat last year that he would welcome such a dialogue. I am only sorry that the Commission as a whole felt unable to honour that statement this year.

This is, Mr President, the point at which I shall pay tribute to Commissioner Tugendhat. We have had some disagreements in the course of this year; nevertheless, all of us in the Committee on Budgets and in Parliament appreciate the personal goodwill that he has always shown in our discussions.

(Applause)

Mr President, I turn to a second procedural improvement that we have been able to effect this year, and that concerns Parliament's handling of the vexed question of agricultural guarantee expenditures. We made

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a real effort this year to try to overcome the somewhat over-heated divisions between the Committee on Budgets and the Committee on Agriculture. We tried to do this on the basis of what has been christened the 'line-by-line' approach, that is to say, the treatment of agricultural guarantee expenditure like all other parts of the budget, examining the appropriations in detail in relation to the outturn of expenditure in previous years. In fact, we performed an analysis which made such a comparison over a period on five years in which there were very different circumstances prevailing. What that analysis showed was just how appallingly bad the Commission's forecasting is in the matter of agricultural guarantee expenditure. It is true that we did have some minor problems within Parliament about our efforts in connection with a reserve in Chapter 29; nevertheless, there was substantial agreement about the methodology underlying our approach, and I hope that we can build on this in the future.

The Council, however, simply dismissed without serious consideration what we were seeking to do. But I think we can look forward in future years to building on this cooperation between the Committee on Budgets and the Committee on Agriculture within Parliament so as to develop the Parliament's line-by-line approach. I believe that eventually the Council will have to come on board, because the Council has accepted that agriculture and agricultural expenditure is part of the budget. So I believe that there is an inexorable logic that will eventually lead to that area of expenditure being subjected to budgetary control.

Mr President, there is a third procedural advance which concerns precisely this question of relations between Parliament and Council, and here I refer to the improvements which I think have occurred this year in the conciliation procedure. I have taken part in three conciliation sessions so far this year — on the 30 June agreement, on the Council's draft budget and before the Council's second reading — and I can compare that with my experience in 1979, when I think we had simply a dialogue of the deaf between the two institutions. This year we have seen a real dialogue, a real debate. In handling the 1983 budget — I will not anticipate what may happen with the 1982 supplementary budget — there has grown up something of a sense of partnership between the two arms of the budgetary authority. Here I should pay tribute to the valuable work of the Danish presidency, and a personal tribute to Mr Otto Møller who has sat patiently through all our debates. The work on the budget is the most difficult part of the work of the presidency in the second half of the year. There are of course other minor matters like fish, nevertheless, the budget is a very difficult subject for the presidency to grapple with in the second half of the year — and the Danes have built splendidly on the constructive work done by the British presidency and Mr Nicholas Ridley in the second half of 1981.

Mr President, with regard to future conciliation meetings, it seems to me that we must try to get the meetings held earlier, so that we can have a meeting at least a week before the crucial meeting of the Budget Council. We must certainly resist the idea put forward by one delegation — I think perhaps a response to the relative success of the conciliations that have occurred this year — that the conciliation meetings should take place *after* the Council has made its decisions. That is a truly remarkable and very non-*communautaire* idea. It is also essential, Mr President, that we in Parliament should not make what I might describe as general speeches or lectures to the Council when we meet them in conciliation. What we have got to do is to try to mount a genuine debate, focusing on specific questions and trying to get the different Member States taking part in a Council meeting to respond to our questions and to take part in the debate, rather than simply having a dialogue with the presidency of the Council.

Mr President, a fourth area of procedural improvement: we have achieved better coordination than ever before, I think, within the European Parliament, both between the Committee on Budgets and the other committees and between the Groups. There is a perennial problem in the relations between the Committee on Budgets and the other committees. Parliament disposes of only limited budgetary resources, and therefore some *arbitrage* has to be made between the different claims, by the Committee on Budgets in the first instance, and, of course, in the last resort by the plenary session. The committees must learn to act other than simply as pressure groups for the areas of expenditure with which they are concerned. They must try to show realism and good sense about the possibilities available to Parliament, and not act simply as lobbies trying to get as much as they possibly can for their pet causes. The ideal policy is for the Committee on Budgets to fix overall financial envelopes and then leave it to the specialist committees to fill in the expenditure within those envelopes. And we have made some progress in this direction this year with the cooperation of some of the committees' rapporteurs.

I think, however, that the most notable progress we have made concerns intergroup coordination. We have not had a repetition this year of what we have seen all too often in previous years — a situation where the disposal of the amounts at this final stage of the budget is made essentially by the Committee on Budgets' rapporteur. We have been able to reach a package carefully worked out between the different group coordinators, resulting from a whole series of meetings that have taken place throughout this procedure and which, I think, have been extremely valuable.

So, Mr President, as we approach the end of the 1983 budget procedure, I think that we in the European Parliament can take some modest satisfaction from our work. We have taken major steps in improving our own internal procedures for handling the budget. The

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dialogue with the Commission and the Council has improved, particularly our dialogue with the Council, and although the Council is still not listening to our views about compulsory expenditure, we have been able to make real progress in fulfilling our priorities for non-compulsory expenditure.

Mr President, in my winding-up speech at our previous budget debate in November, I described this budget as a pretty poor thing. Judged by the Community's needs — yes, it is a poor thing. Judged by the standards of the famous 30 May mandate — yes, it is a very poor thing. But perhaps we can derive some satisfaction, Mr President, from having made this budget a little less bad than it would have been without us.

The budget reminds me of the story of an Indian politician staying for the first time at a guest house at the Viceroy's Lodge in Simla in the Himalayas. He complained that during the night he had seen a rat in his bedroom. The equerry replied, quick as a flash: 'a rat, Sir, a *rat*, for the less distinguished guests we only have mice!' Mr President, if we may make an analogy between this budget and the animal kingdom, it is a budget which is low in the tree of life, but at least we can say that we have made it more of a rat than a mouse!

(*Applause*)

Mr Saby (S), rapporteur. — (FR) Mr President, ladies and gentlemen, I am to report to you on the administrative budget of the other institutions — a document which you will no doubt have in front of you.

On first reading Parliament adopted almost unanimously all the proposals which I had the honour to submit to you, and the Council in its turn deleted a number of commitments while accepting some others. I shall therefore not refer today to the budget of Parliament which was not the subject of any particular modification by Council. We welcome the fact that the Council followed the indications given by Parliament as regards the annex for the Economic and Social Committee and that on the whole it endorsed our views on the restoration of the balance of the administrative budget of that institution.

Today I shall be proposing a number of amendments relating to the budgets of the Court of Auditors and Court of Justice. The Council has maintained the flat-rate reduction of 5% in expenditure against Chapters 11 and 12. However, examination of the situation with the institutions concerned shows that the present budget, with only a small increase, would not allow satisfactory operation in the 1983 financial year. I shall therefore be proposing an amendment to reinstate the appropriations for these two chapters.

As regards the Court of Auditors I shall again be proposing the reinstatement of the deleted 5% to enable

that institution to function properly in 1983. While we have not endorsed the requests for the creation of posts in the Court of Justice, I shall be proposing the reintroduction of certain proposals which you adopted on the first reading for the Court of Auditors. It is imperative for this institution to have the administrative and staff resources necessary to exercise control over the various budgets in the areas for which it is responsible.

Ladies and gentlemen, Mr President, I am therefore proposing the reinstatement at this part-session of a number of proposals for the creation of posts which you accepted on first reading.

In conclusion, I would say that the decisions taken by Parliament on first reading were quite favourably considered by the Council; that is why, in a desire for efficiency and in order to facilitate relations between the two branches of the budgetary authority, we have not retabled all the amendments put forward by us on first reading.

When we come to the vote, I shall therefore be asking you to endorse the proposals contained in the report which I am tabling on behalf of the Committee on Budgets.

Mrs Barbarella (COM), rapporteur. — (IT) Mr President, as my colleagues are no doubt aware, the Council's draft amending budget is intended to regulate the financial compensation granted to the United Kingdom and to Germany on the basis of the agreement concluded last May and October, using for this purpose the savings effected in the course of 1982 in the EAGGF Guarantee Section.

Without wasting time on preliminaries, I would now like to inform the Assembly that the Committee on Budgets has decided that it cannot accept this draft amending budget, at least — and I stress this point — not on the terms laid down by the Council in submitting it.

With this, Mr President, our committee does not intend to deny the existence of certain imbalances which, as is well-known, particularly affect one of the Member States: the United Kingdom. Indeed, when the Committee on Budgets and Parliament as a whole made repeated and ever more pressing appeals to the Commission and the Council to undertake a radical reform of Community finances, they did so in the knowledge that these imbalances must be permanently eliminated.

Parliament did more than call for adequate solutions; several times it suggested the use of a mechanism of financial equalization and the broadening of the common policies as essential conditions for a lasting settlement in regard to the Community budget.

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It is on these fundamental grounds that the Committee on Budgets today finds the avoidance, in this amending budget, of the central issue of financial reform to be totally unacceptable, and it condemns the continued recourse to ephemeral solutions which no longer involve only one Member State — the United Kingdom — but which are being perilously extended in this amending budget to include Germany as well. It is quite probable that in the months to come they will be applied to other countries, following the precedent set by the decisions on compensation which we are discussing today.

The Committee on Budgets holds that Parliament cannot be called upon to provide a docile and last-minute ratification of decisions which are not only prejudicial to its autonomy on budgetary matters but also dangerous for the future of the Community itself.

When the first compensatory measures for the United Kingdom were formulated, Parliament expressed serious reservations concerning a provision specifically linked to the contribution of a Member State — in other words, linked to criteria of *juste retour* — a provision which constituted a dangerous precedent and which undoubtedly weakened the autonomy of the Community budget.

At that time, however, it was still possible to believe that the Council of Ministers would fulfil the commitment, made with the mandate of 30 May, to change the structure of the budget before the end of 1982, thus providing a definitive solution to the central question of the budget imbalances. We have now reached the end of 1982, but no lasting solution has been found; on the contrary, the mechanism of national compensation is becoming an institution, despite the fact that it is in direct conflict with the overall approach, implying accurate estimates and politico-financial control, which has always been accepted as a basic principle of the Community budget.

It is impossible to view this tendency without expressing serious concern. The Council, however, seems to have declined to assume its responsibilities regarding the solution of the problem of the equitable development of the Community budget; on the contrary, it apparently favours intergovernmental agreements which represent a significant threat to the system of own resources.

As for the Commission, not only has it failed to exercise its right and perform its duty to propose concrete legislative measures in the context of the mandate-measures aimed at the definitive correction of the budget imbalances but also, and this is even more serious, it supports or appears to support the position of the Council, suggesting that the mechanism of *juste retour* be retained until 1985, and this with no reference to the consequences that future compensation for the United Kingdom will have upon other countries, particularly those with weaker economies.

Furthermore, the rights of Parliament in budgetary matters have been completely ignored, not only by the arrogant attempt to impose measures which cannot be subjected to political and financial control, but also by the appropriation, for these very measures, of the agricultural funds saved in 1982, which Parliament had already decided to use to improve the qualitative balance of the 1982 budget by strengthening its structural programmes.

This appears even more serious in view of the fact that it was not necessary to include the rebates to the United Kingdom and Germany in the 1982 budget. Since these rebates were to apply to the year 1982, they could have been paid — as was the case for the earlier measures — during the succeeding year, from the 1983 budget, where there exists an unused VAT margin sufficient to cover these expenditures.

It should also be borne in mind, ladies and gentlemen, that satisfying the British requests was not so urgent a matter. Indeed, the rebates for the years 1980 and 1981 were overestimated, and it would have been possible to take this excess into account when negotiating the compensation for 1982 and to include the result thus obtained in the 1983 budget.

The lack of a clear political will to seek a lasting solution for the problem of the budget and the proliferation of national measures lead the Committee on Budgets to conclude that European Parliament should express its deep concern about a situation that can jeopardize the cohesion of the Community.

The Committee on Budgets therefore believes that Parliament should issue a firm appeal to the Commission and the Council, calling upon them to assume their specific responsibilities so that a definitive solution can be found for the problems of the Community budget as soon as possible, and certainly before the end of 1983.

Ladies and gentlemen, this is not an impossible request. The political and politico-financial solutions for the reform of the budget and the development of the common policies have already been sufficiently discussed in the various institutions, and therefore we need only a concrete political will to embody them in operative legislative acts.

For this reason the Committee on Budgets invites this Assembly to be clear and firm in refusing to consider any further extension of the national measures, and refusing in any case to accept the proposals for 1982 in the amending budget save under the following conditions:

1. That there be a clear political guarantee that the measures for 1982 are the last of this type, and that the definitive plan for financial reform be approved before the end of 1983.
2. That the measures for 1982 be restored to the framework of the existing policies and that

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consequently the modes of Community participation in programmes to be funded by such measures be harmonized with those normally envisaged for Community intervention: particularly in regard to financial ceilings, the payment of advances, and the supervision of the implementation of the programme themselves.

3. That the English and German measures be considered non-compulsory in nature, allowing Parliament, as one of the two arms of the budget authority, to perform its functions of participation and supervision with regard to decisions affecting the quality of the budget.

Mr President, the conditions which I have summarized here have been embodied in a series of amendments. With these amendments, the Committee on Budgets does not mean to propose to Parliament a fruitless confrontation between the Community institutions; it intends merely to initiate, with the first reading of the amending budget, a dialogue with the Council on basic issues which it considers essential in order to maintain the principles and criteria which express the very nature of the Community, and in order to find in this context the most suitable and lasting solutions.

It is obvious, Mr President, that we will know whether or not it is possible to reject the amending budget on the second reading only when we have seen what sort of response the Council will make to Parliament's requests.

Finally, in connection with the reports on the regulations for the implementation of the measures included in the amending budget, I would only like to mention — referring my colleagues to the documents in question — that the Committee on Budgets has raised the same questions of principle in this regard as it did for the budget itself. A series of amendments has been drawn up whose purpose is to restore both the British and the German measures to the context of the mechanisms which normally govern Community intervention.

To sum up, Mr President, the Committee on Budgets — by means of the amendments it has presented — wishes to express great concern for the future of the Community, and to apply legitimate political pressure to bring about a dialogue on the now urgent need to provide the Community with common policies adapted to the situation and the necessary resources.

(Applause)

Mr Otto Møller, President-in-Office of the Council. — (DA) Mr President, honourable Members of Parliament, I should like on behalf of the Council to express the hope that the two branches of the budget authority will, at the conclusion of this part-session, be able to congratulate one another on an outcome to our deliberations which will show that, for the first time in five

years, the Community has crossed the 1 January threshold with a budget which is not contested from any quarter. I realize that it will only be possible to achieve this result if both our institutions show flexibility, trust and understanding towards one another in the concluding phase of the budget procedure. I ask you not to underestimate the effort made by the Council at its meeting on 22 November to accommodate Parliament's wishes. It was a clear signal from the Council.

My task today is, on the one hand, to present the Council's proposals for the 1982 supplementary and amending budget No 1 and, on the other hand, to present the result of the Council's work on the draft amendments and proposed modification which Parliament adopted during its October part-session. Permit me, Mr President, first to make a few comments on the supplementary and amending budget for 1982, which is dealt with in Mrs Barbarella's report.

The Commission put forward this supplementary and amending budget in order to give effect to the unanimity which was achieved in the Council on a solution to the British budget problem for 1982. This unanimity in the Council was not achieved without difficulties and it is, at the same time, linked to a special programme of energy development in the Federal Republic of Germany. The unanimity achieved does not solve the fundamental problem which the Commission explained in its report on the mandate of 30 May 1980. It is an interim solution. In my opinion, however, it cannot be simply thrown out as unacceptable, because it has not so far been possible to find a wider-ranging solution. The 30 May declaration already envisaged the possibility that there would have to be a separate decision on the British budget problem for 1982. It is the budgetary consequences of that decision which are covered by supplementary and amending budget No 1 for 1982.

I would stress that the Community's endeavours to reach a lasting solution to these problems would be made more difficult and possibly blocked if the supplementary and amending budget No 1 were not adopted. It would inevitably bring about a tense situation in the Community at a time when our institutions should be devoting themselves to matters of much greater importance to the populations of the Member States.

In terms of budgetary procedure, the European Parliament has contested the Commission's proposal to class expenditure under the proposed supplementary and amending budget as compulsory expenditure. The Council supports the Commission's proposal. Pursuant to the annex to the joint declaration of 30 June 1982, the supplementary arrangements for Great Britain are classed as compulsory expenditure, and this classification was accepted by the European Parliament. Some now claim that the expenditure entered in the supplementary and amending budget should be classed as non-compulsory expenditure. This is not the view of

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the Council. In reality all that is involved is an extension of the supplementary arrangements by one year, and the legal basis for the payment of appropriations is virtually only an extension of the list of projects eligible for support, identical to the present legal basis. The conditions for the classification of expenditure which is compulsory are therefore exactly the same as those applying at 30 June this year.

The expenditure for the special energy development programme in the Federal Republic of Germany, in the Council's opinion, is also compulsory. The Council has entered into a firm agreement to support this programme, and the scope of the programme is established. This situation is described in paragraph 1 of the joint declaration of 30 June, which says:

The three institutions consider that compulsory expenditure consists of expenditure which should be entered by the budget authority in order to make it possible for the Community to honour its internal or external obligations under the Treaties or legal instruments enacted in pursuance thereof.

Having regard to the joint declaration, therefore, the Council has decided to support the Commission's proposal to class this expenditure as compulsory.

Mr President, after these comments on the classification of expenditure entered in the supplementary and amending budget for 1982, I should like to turn now, with your permission, to the 1983 budget.

I think that there is reason once more to stress that, even if the Council and Parliament seem to be in agreement on one point, namely, the extremely difficult financial situation the Member States are in, they each draw their own conclusion. For the Members of the Council the dominant reality is the policy of cuts which they are having to apply in their home countries. This policy makes it necessary to tackle the difficult job of assigning priorities, right down to the last detail. Within the financial limitations which I have referred to, the Council has done all it can to apply the priorities Parliament has adopted. In this connection it is quite correct for me to point out that there still remain fundamental disagreements between the Council and Parliament.

The Council adheres to its view that transfers from compulsory expenditure to non-compulsory expenditure do not affect the *assiette*. This means that Parliament and the Council continue to have a different conception of Parliament's margin of manoeuvre. These views were confirmed at the meeting last week between the Presidents of the three institutions. But it was equally clear that nobody wanted this disagreement to prevent our three institutions from reaching together a realistic compromise regarding the resources we can allocate to the common priorities. I think that this standpoint is of vital importance, essential and worth emphasizing.

Let me now pass on to the decisions taken by the Council and, to begin with, sketch out what the Council decided in regard to the non-compulsory expenditure. The Council has taken great pains to accommodate Parliament's priorities and to make the necessary resources available in order to give effect to the relevant priorities. The Council and Parliament are agreed that the fight against unemployment must be placed high on the list. To this end the Council agreed to increase the two funds, the Social Fund and the Regional Fund, by about 350 million ECU in commitment appropriations and some 275 million ECU in payment appropriations. The bulk of this increase was allocated to the Social Fund and, within that Fund, the Council gave absolute priority to arrangements for combating youth unemployment.

The fact that 60% of the amount by which the Council increased non-compulsory expenditure during the second reading was set aside for youth unemployment meant that the Council was not able to increase the appropriations for other purposes by as much as might of course have been desired. Thus, for example, the Council had to restrict increases in appropriations for cooperation with the non-associated developing countries and for the fight against hunger in the world. In addition the Council allocated appropriations to the Esprit programme, which is of importance to the Community's electronics industry, to transport infrastructure, to energy projects and to certain projects in the environment and consumer fields. These were the main points in the Council's decision. They amount to an increase over the Council's proposal on the first reading of about 420 million ECU in commitment appropriations and about 325 million ECU in payment appropriations.

I ask Parliament to note that in both instances the Council has gone beyond the amounts which in the Council's opinion automatically become available under the rules governing the maximum rate of increase.

The Council is thus accommodating Parliament's wishes in respect of both priorities and the proposal to exceed the maximum rate of increase, but — and I do realize this of course — not to the extent that Parliament would have wished.

I will now pass on to Parliament's draft amendments on compulsory expenditure. I might point out in passing here that the Council has adhered to the classification of expenditure set out in the annex to the joint declaration of 30 June.

In regard to expenditure on agriculture, there is no difference between the Council's and Parliament's views, which are also shared by the Commission. The Council has taken note of Parliament's systematic review of the appropriations for agricultural objectives. The Council was, however, convinced that we can still have confidence in the Commission's compre-

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hensive calculations as the best basis for drawing up estimates of the extent of the expenditure. And for this reason the Council decided to stand by the appropriations to the EAGGF. The Council has taken note of Parliament's proposal to set up a reserve in Chapter 29 and of its comments on the time limits and obligations which the budget authority should impose on the Commission.

The Council felt that the relevant proposal was not in conformity with Article 203 procedure. Neither of the two arms of the budget authority can take away from the Commission its right of initiative, even in regard to proposals for the transfer of appropriations from one account to another, and for these reasons the Council rejected the proposal on Chapter 29.

On its first reading Parliament adopted three proposed modifications and one draft involving a transfer of appropriations from the compulsory to the non-compulsory section of the budget.

As I pointed out at the meeting between the Council and a delegation from Parliament, the Council does not consider these proposals to be in conformity with Article 203, which I have already referred to. The Council therefore decided to reject the four proposals.

As has also been the case in previous years, Parliament and the Council disagree on the treatment of loan transactions. Mr Robert Jackson presented proposals on this matter. On this basis the Council reviewed its position but finally decided to adhere to the existing procedure with regard to loan transactions.

As Mr Jackson has just said in his speech, Parliament will be urged on Thursday to raise the appropriation proposals back to a combined amount of 177 million ECU in commitment appropriations and 137 million ECU in payment appropriations. These amounts represent what Parliament has at its disposal in its own view. As you know, honourable Members, the Council does not share this view.

In conclusion I should like to make two comments. The Council takes the view that it made a considerable effort on 22 November to close the gap between it and Parliament. The ten Heads of State or Government stated in Copenhagen that the fight against youth unemployment is a main priority. As I understand it, it is also Parliament's view that the Finance Ministers' decision on 22 November must be seen as a factor in this fight.

My second comment concerns the public at large in our countries. I am sure that it will not be understood or forgiven if we fail to reach a compromise on the supplementary budget for 1982 or indeed the budget for 1983. It would be indefensible and would impair our capacity to find solutions to the great problems facing us.

Mr President, I have given the Council's views of the issues on which Parliament is to vote on Thursday. Both our institutions must bear their responsibilities in a spirit of cooperation. If they do that, I am certain that this week will end with an adopted budget.

IN THE CHAIR: MR ESTGEN*Vice-President*

Mr Tugendhat, Vice-President of the Commission. — Mr President, I should like to begin by expressing the same hope as the President-in-Office of the Council that it will be possible to bring this year's budgetary procedure to a close with the adoption agreed by both arms of the budgetary authority of the budgets which are at present before the House. I am now approaching the end of my sixth year in the Commission and not since my first year has there been a completely agreed budgetary procedure so that I must say it would be very nice if we could achieve one on this occasion.

I would also, if I may, before entering into the substance of my speech, like to pay tribute to the speeches of both Mr Jackson and Mrs Barbarella. Although, as will be apparent, I did not agree with everything that both of them said, I did think that they were speeches of an exceptionally high and thoughtful order and that indeed this whole budgetary procedure thus far, however it may end, has been characterized by a great deal of thoughtfulness and a great deal of constructiveness and a great deal of desire on all sides to use the budget to carry forward the development of the Community.

Mr President, I will start — because it seems sensible to do so — with the 1982 supplementary budget and then conclude with the 1983 budget. Mrs Barbarella explained to the House the basis of her criticism. With some of it the Commission can agree, at least in principle, but on some of the other matters that she brought forward we are in disagreement and I think it is important that I should spell out precisely why.

First of all, as has been made quite clear and as everybody knows — and this is not controversial — the 1982 amending and supplementary budget is the vehicle for giving effect to an agreement reached, and reached of course after very considerable protracted difficulty, at the highest level of the Council. The so-called British budget problem has been the most acrimonious and seemingly intractable internal issue with which the Community has had to grapple in recent times. It has dominated many meetings of the Council of Ministers and has seemed at times almost to be bringing the Community itself to a standstill. That a solution, albeit of a temporary nature, has been

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reached for this problem in respect of 1982, pending of course what Parliament decides, is in itself an important achievement.

That solution, which, as I say, depends on Parliament to be carried into effect, is not the one which the Commission would have wished nor is it the one which the Commission originally proposed. In our mandate report we identified the root cause of the British problem as the relatively small size of the British agricultural industry and consequently the relatively low level of British financial benefit from the common agricultural policy, by contrast with the predominant role which agriculture plays in the Community budget. We, therefore, proposed a mechanism in favour of the United Kingdom which would directly reflect this discrepancy. We chose this approach in part in order to try to get away from the concept of net balances and *juste retour* to which Mrs Barbarella referred and which has been the source of so much hostility and criticism in the Community.

We do not like that principle and we proposed a mechanism which would get away from that principle. As, however, the House knows only too well, the Council was not disposed to follow the proposal which we put forward. The solution which the Council eventually reached was to apply in effect a third year of the agreement originally reached in 1980. This, of course, involves the financing through the Community budget of supplementary measures, mainly in the regional field, for the United Kingdom along lines similar to those followed in respect of 1980 and 1981. It also involves, for the first time, the introduction of a special programme of energy measures in favour of the Federal Republic of Germany. This special programme, which is in reality an intrinsic part of the political agreement of 25 May of this year, reflects the strong feelings of the previous Federal Government — feelings which have been reiterated by the new government in Bonn as well — that some mitigation was required of the financial burden which the Federal Republic would otherwise have to bear.

The agreement reached in respect of 1982 contained a number of other elements. It was thought right to take advantage of the fact that surplus appropriations existed both from 1981 and 1982 because agricultural expenditure had been lower than anticipated and it was agreed, as part of the bargain finally struck, that the United Kingdom should receive its compensation in the form of advances *before* the end of 1982. It was on the basis of the prospect of receiving payments before the end of 1982 — an idea originally put forward by the French delegation — rather than in the course of the following year, that the actual amounts in question were agreed.

I make these points, Mr President, because they are of some considerable relevance to the amendments which Mrs Barbarella has proposed and which I would now like to deal with in turn.

First of all, the criticism of the Commission for not having submitted proposals for a lasting solution to the problem seems to me really quite unfair. As I have said, we put forward one such proposal in our mandate report. In our recent communication to Council and Parliament on the longer-term solution to the British budget problem, we indicated another line of approach: namely, in relation to a reform of the Community's financing system, which we believe is in any case needed and on which we shall present our ideas in the early part of next year. In the meantime, however, the British problem is not going to go away. The reasons which led to the budgetary arrangements of 1980 and 1982 continue to exist. On an uncorrected basis the estimated British deficit next year would probably be of roughly the same order as this year.

Now I wish, Mr President, that I could give Mrs Barbarella the assurances she seeks that this will be the last such temporary agreement. I wish I could say to her that the Council and indeed the Parliament as well will be in a position next year to reach agreement on the far-reaching changes that would be necessary to obviate the need for these sorts of *ad hoc* arrangements and to subsume them into an overall review and *reliance* of the Community's policies on the revenue and the expenditure side. I wish I could give her that assurance, but she must know, as I must know, that not only are we a long way from being in a position to reach such agreements within the Council and the Parliament, but we are a very long way from getting to the position where the parliaments of the ten Member States could ratify such an agreement and bring it into effect by the end of next year. So I wish I could agree with her, but I fear that in the terms in which she made her statement it is simply not politically realistic and I say that with the greatest personal regret.

The criticism about the alleged fragmentation of the Commission's proposed amendments to the 1982 budget which has prevented Parliament from obtaining an overall view of the resources available, to quote from the resolution, is another criticism which I must also reject as simply being untrue. We produced a proposal for a first supplementary budget in May this year and we have throughout the year provided Parliament with regular and detailed information concerning the state of implementation of the budget — in particular the development of EAGGF advances.

Mr President, Parliament has therefore had all the information about resource availability. And I myself have explained on numerous occasions in the Committee on Budgets, and also in fact in the 'three Presidents procedure' as well, how the situation looked and how the situation appeared to be developing.

From my earlier comments the House will obviously understand why the Commission cannot support some of the specific amendments made to the draft supplementary budget.

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And I would now, Mr President, like to say a word about classification. The Commission started in 1980 from the hypothesis that the measures concerned should be classified as obligatory expenditure because it is clear that given the political nature of the agreement from which these measures flow the amounts involved must be considered of a binding nature. Now Parliament itself has already accepted that the supplementary measures in favour of the United Kingdom under the agreement of 30 May 1980 should be classified as obligatory expenditure. It therefore seems to me difficult in logic to contest the presumption that the expenditure in respect of 1982, constituting as it does the third year of that original agreement, should be similarly classified and this applies both to the supplementary measures for the United Kingdom and to the special energy programme in Germany.

Similarly, the Commission cannot support the proposal that the advances on the payments of the supplementary measures should take place in two *tranches* or that they should be limited to 50%. The effect of these amendments would be to prevent full payment to the United Kingdom before the end of 1982. As I have already explained, such full payment was an intrinsic part of the political agreement reached in the Council. To delay part of the payments until 1983 would thus risk putting the whole basis of the agreement in peril. And here too I would like to take up a point made by Mrs Barbarella. She appeared to suggest, if I understood her correctly, that it was not in the Community's interest that these payments should be made in 1982 rather than in 1983. I disagree with her. We have had, as has been agreed on all sides, a surplus on the agricultural funds in 1981 and 1982. We are therefore able to make these payments at a time when there is relatively speaking a certain amount of slack in the budget.

We can enter 1983 therefore without any further payments needing to be made on this head during the course of that year. Now all of us know that agricultural expenditure might very well rise somewhat next year and all of us, I hope, wish that it will be possible at the same time to have higher expenditure in the non-obligatory sector of the budget as well and therefore it seems to me in the Community interest to wipe this particular slate clean and to enter 1983, when we might be operating very very much nearer the margin than has been the case in 1982, without having to fulfil this particular Community commitment as well.

I would moreover add that if the House were to support the proposal put forward by the Committee on Budgets for *tranches* or for a sort of 50% basis, that would of course run completely counter to the principle of the annuality of the budget which in normal circumstances the Parliament attaches very great importance to. I have heard a very great many lectures from all sides of this House about the sanctity of the annuality of the budget and I am surprised therefore to see a suggestion being made from the Committee

on Budgets itself that runs counter to the annuality of the budget.

I should also add, Mr President, that a similar objection would of course apply to the idea of introducing a new appropriation of 21 million ECU for energy expenditure in countries other than Germany. Even if it were thought right on policy grounds to extend the programme in this way it would in practice be impossible to commit such appropriations before the end of the year and Parliament, as I say, in other circumstances has always argued very strongly in favour of committing appropriations in the year in which they are put in the budget.

Now having said all this, Mr President, there is one aspect of the draft resolution where the Commission would certainly be prepared to support Parliament and this is over the requirements for strengthening control of the implementation of the proposed measures. Mrs Barbarella gave the impression that these measures were somehow not subject to control at all. She seemed to give the impression that the supplementary measures — the money paid out by the Commission to the United Kingdom — had somehow disappeared but that of course is incorrect; supplementary measures are already subject to the discipline of control by the relevant Commission-services, by the Court of Auditors and by Parliament's own Committee on Budgetary Control. The degree of checking and examination is already as strict as, for example, expenditure under the Regional Fund. But if Parliament feels that a particular control effort needs to be made in this area the Commission would not see any objection.

I must however stress that in order to achieve greater control it is not necessary to have a new line in the budget, for the Commission would certainly be prepared to make available to Parliament all relevant information in addition to that which Parliament already receives on the procedure for the selection of the programmes to be financed as well as on the control of expenditure incurred and the Commission is prepared to discuss with Parliament's Committee on Budgetary Control the methods by which controls should be carried out.

Let me say, Mr President, in conclusion on the 1982 supplementary budget that I can understand the distaste which to a great extent the Commission itself shares. But it is one thing to demand an immediate long-term solution to the issue, it is quite another matter to come up with a solution which, while conforming better to Community ideals, has some prospect of realization in the light of the varying interests and constraints which apply in the Member States. Some may argue that the Commission has not been sufficiently imaginative. To that I would reply that we have made one proposal and we anticipate making another. No other feasible ideas for the longer term have come from any other source. Some Members of this House may say that the resolution voted by the Parliament in

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1979 calling for a financial equalization mechanism in the Community might provide the answer.

I do not, Mr President, want to argue now the merits or realism of such a mechanism for which a good case might be argued in terms of showing solidarity towards the Community's really least prosperous members. But I must stress that, in the form in which Parliament proposes it, such a mechanism would do nothing, nothing to mitigate the particular budgetary problem of the United Kingdom since that problem does *not* reflect the United Kingdom's low level of GDP per head but rather its low level of agricultural receipts and such a mechanism as proposed by Parliament would impose upon the Federal Republic of Germany a budgetary burden whose domestic acceptability within that country looks in present circumstances extremely questionable.

In going along with the idea of an *ad hoc* temporary arrangement of the kind which the 1982 supplementary budget represents the Commission is certainly not abandoning any hope of a longer term solution. Far from it. But we are realistic enough to recognize that such a solution will take time to attain; it has to be agreed in the Council; it has to be agreed in this House; it has to be agreed by the parliaments of the Member States. And until it is set up, transitional arrangements of some kind or another will be required. In our view it is better that such arrangements should be implemented, as is currently envisaged, through the Community budget and subject to the appropriate Community control rather than through some special compensatory arrangement outside the budget which of course we have seen examples of in the Community in respect of other countries in the past.

Mr President, to conclude, a few words on 1983. I can be very brief on 1983 because basically I share very much the view which the rapporteur of the Committee on Budgets put forward. I certainly agree with him in the first place that the Council's behaviour in, on the one hand, rejecting a supplementary budget and, on the other, proposing a transfer and then suggesting that the transfer should not count in Parliament's *assiette* is quite unacceptable. There is a slight difference between the Parliament and the Commission on the arithmetic of this matter but on the principle Parliament and the Commission are on the same side and I share the Committee on Budgets' hope that a doctrinal quarrel of this sort between the institutions will not be allowed to bring about a disputed budget. The Council, I must say, has this year in the field of non-compulsory expenditure made an important step towards Parliament's specific priorities, as Mr Møller has said, and has gone far beyond its own interpretation of the maximum rate; but equally the Committee on Budgets proposes that Parliament should make a step towards the Council in not going beyond Parliament's interpretation of its own margin.

Now the Commission fully shares the view of Parliament's Committee on Budgets that the remaining margin should be concentrated on measures which help the fight against hunger in the world and on measures in the field of energy. We thus firmly endorse the general approach which Parliament proposes. As regards the figures, we hope that the level of commitment appropriations which Parliament is seeking can be attained in order that Community programmes of an adequate scale can be developed and in order that the Community budget can move one or two steps up the 'tree of life', as Mr Jackson put it. We believe that a satisfactory level of commitment appropriations should be the prime objective. It may be possible, Mr President, that in practice one could implement the level of commitment appropriations which Parliament is seeking on the basis of a slightly more modest level of payment appropriations. Past experience shows that there is inevitably a certain time lag between commitments and payments and there is clearly no point in including in the budget more appropriations than are actually likely to be needed in order to meet the commitments concerned. Some modest reduction in the payments field might therefore in practice not be of any real significance. But if a slight reduction in payment appropriations *were* to help to overcome the remaining differences of opinion between the two arms of the budget authority and thus to enable an agreed budget to be adopted for the first time in five years the Commission would think this a price well worth paying.

But to conclude, Mr President, I hope very much that the Council will heed the moderation with which Parliament has expressed its view both in terms of principle and in terms of figures; I hope the Parliament will heed the fact that it is not legitimate, it is not fair play, it is not in keeping with the Three Presidents Agreement to conduct this manoeuvre over the first supplementary budget and the transfer and to accept — implicitly at any rate — the interpretation of the maximum rate put forward by the Commission and the Council and to settle an undisputed budget for 1983 within that context.

(Applause)

Mr Pesmazoglou (NI), draftsman of an opinion for the Committee on External Economic Relations. — (GR) Mr President, on behalf of the Committee on External Economic Relations I want to ask Parliament to support three specific proposals which were also tabled during the October part-session. At that juncture, following Mr Robert Jackson's presentation of his report on behalf of the Committee on Budgets, these proposals were given approval in substance, but in the ensuing formulation of the budget by the Council of Ministers they were rejected. Mr President, these proposals are aimed at giving added force to the activities undertaken by the European Community in conjunction with the developing countries with which it

Pesmazoglou

has cooperation agreements, and also with Japan and other countries, in the search for ways of increasing the competitiveness of the Community and thereby its worldwide exporting potential, particularly with regard to those countries where it encounters stiffer competition.

I wish to point out, Mr President, that the total cost of these proposed modifications would not exceed 6 or 7 million ECU. I think — and this is the view of the Committee on External Economic Relations — that this is a very small sum compared with the benefit the European Community will derive from the enhanced level of activity which the Committee, in again proposing these modifications, wishes to have funded. Therefore, Mr President, I ask all the political groups in Parliament to support these very limited modifications which do not alter the overall shape of the budget as it has been presented by Mr Robert Jackson, the rapporteur on behalf of the Committee on Budgets.

Mr Enright (S), draftsman of an opinion for the Committee on Development and Cooperation. — Mr President, first may I join with those who thank Mr Jackson for the very hard work that he has put in to this budget and also for the consideration that he has given to my committee.

He has, as he said in his speech, managed to weld together a number of very differing interests and among those were development and cooperation. I cannot say that I am entirely satisfied with the deal that we have had but I accept that this is the best deal that we could have had. From the Committee on Development and Cooperation we have tabled all the amendments that we put in at the last reading, but we accept with the greatest reluctance that it is not possible to get what we ask at this moment. Therefore, we accept the 92 and 99 million increases which are being proposed by the Committee on Budgets, simply because we know that the Council would be even more brutal than the Budgets Committee and the Commission have been because the Council at its first reading, in its first amendments, was really quite appalling. And that under the leadership of Denmark, I think, is quite appalling because Denmark itself, has a very good record on development and cooperation. As a country it has done some very fine things which I have seen over the last three years. But in its Presidency of the Council it has been a brutal butcher and I think it is quite disgraceful that Denmark was not able to lead the other Members of the Council on a more progressive path.

Therefore, I do not so much appeal to as demand of the Council that these minimal expenditures which we have put into the budget and which we are asking for be put through.

We must be looking for expansion and the Council, if it is to show any heart whatsoever, must accept that

what it has done under the General Agreement on Tariffs and Trade in terms of development has been quite disgraceful. That what it has done under the Multifibre Arrangements has been mean and niggardly — to put it mildly — and has certainly had no concern for those in the world who are starving, that it has been totally without planning of any sort in terms of the North/South dialogue so that whilst it has accepted all the resolutions that we have put forward here on hunger in the world, whilst it has congratulated us upon our pragmatic approach to these problems, it has failed totally and wretchedly and miserably to do anything practical about them. Therefore, in terms of the budget, it must do something or be condemned utterly. I sometimes feel that the Council is jealous of the success of the Community as such — as opposed to the individual member countries — in what is being done in development and cooperation.

We can compare by looking at staff. If the Council cut back then I would be quite prepared to compare in terms of staff what they are spending as individual countries — including Denmark which is not the worst, the United Kingdom is the worst in staff terms — with what is being done by very few staff in the Community. If the Council cuts back on the staff proposals for development and cooperation, they cannot expect the money to be spent. So I warn that if they cut back in certain areas then we will expose the stark and naked truth of what they have been doing as individual member countries.

Finally, in particular, I would like to call for the restoration of policies and strategies for food aid rather than the negation of that particular title.

Mrs Clwyd (S), draftsman of an opinion for the Committee on Social Affairs and Employment. — It worries me that there is so much back-scratching going on here this morning. I do not know how you translate that into other languages but I notice that Mr Jackson is scratching the back of Mr Tugendhat and Mr Tugendhat in turn is scratching the back, not only of Mr Jackson, but of Parliament as a whole. In fact he has complimented Parliament for its moderation in expressing its view. I do not believe that Parliament should be expressing its view with moderation. In fact I think the Parliament should be expressing its view with considerable anger.

Anger because there are 11 million unemployed people in this Community. Anger that we, as a Community, are failing through our policies and through our budget allocations to combat the problems of poverty and unemployment in the Community. There are some member governments whose own policies are exacerbating the situation we are in. Earlier this year we said that the fight against unemployment was to be the central theme of the budget, and it is quite right in a Community of 11 million unemployed that it should be the central theme. The Social Affairs Committee

Clwyd

fought hard to persuade Parliament to double the Social Fund and in July, you will remember, Parliament voted to do so. We have done well on the Social Fund said Mr Jackson, the rapporteur this morning. Well of course it is obvious that I cannot agree with him. If you vote for the Committee on Budgets' amendments, which are in fact the Council's package on the Social Fund, then you are voting for 7.4% of the total compared with 6% of the total budget share last year. Hardly a substantial increase or a remarkable victory.

Yet we have said time after time that the Social Fund is the main instrument for combating unemployment in the Community. So I ask you, fellow Members of this Parliament, is this the right response to 11 million unemployed in the Community, that we can only increase the Social Fund's total share of the budget by this measly amount.

May I remind you that the total volume of eligible applications for 1983 is expected to amount to about 3 900 million ECU. It is easy to calculate that if Parliament will not improve on the amount proposed by Council there will be a disparity between supply and demand of 2 210 million ECU — 130%. Even if the relatively generous allocation for young people is allowed it will, at best, only allow 50% of the eligible applications to be met.

My committee welcomes the Council's decision on these particular lines, but it deplores the Council's failure to approve any increase for the other lines within the European Social Fund, on which the committee had tabled amendments. And so, in view of the continuing deterioration of the economic and social condition of this Community, we see no reason for changing the position we adopted at the first reading. There is one option for Parliament and that is to vote for the amendments of the Social Affairs Committee *in toto*. There are two other possible options: may I remind you that under Article 9(2) of Council Decision No 71/76/EEC at least 50% of the commitment appropriations of the Fund must be allocated to schemes which fall under Article 5 of the Fund and which also take place within areas eligible for support from the ERDF. This statutory requirement applies until such time as a new Council Decision overrides it following the review of the Social Fund.

Now under the Council's present proposals, under the Committee on Budgets' present proposals, this particular regulation is not adhered to. It is adhered to by the Committee on Social Affairs and Employment of this Parliament, if you vote for its amendments. However, it might be impossible for Parliament to vote for the whole of our amendments. I am told by my own country that if Parliament votes for the Council's amendments, if Council votes for the Committee on Budgets' amendments on the social sector, then it will be impossible for the Commission to meet the statutory requirements of Article 9(2) and I am told — and

I would like an answer here today — in this case there is a real danger that the 1983 Social Fund Budget would be invalid. That is a great problem that this Parliament must face. So in order to achieve the correct balance, there is an option that I would call Option No 1, which is that the Parliament should vote an additional 150 million ECU to budget line 6100 — regions of high unemployment. This line is reserved exclusively for ERDF areas.

If we take the other option, it is to remove from one chapter money from the budget line for young persons' schemes. Parliament will not want to do this and neither will the Council. As I see it, the only options open to Parliament this week will either to be vote for an extra 150 million ECU to be put into the budget line 6100 for the regions, or vote for the total amendments which the Social Affairs Committee will be putting before you.

I speak with some passion because I believe that we have a great and worrying problem and that unless we are able to meet some of the aspirations of the citizens of this Community in our budget this year by a substantial transfer to the social sector of the budget, then we as a Parliament will have failed the citizens of this Community.

Mrs von Alemann (L), draftsman of an opinion for the Committee on Transport. — (DE) Mr President, ladies and gentlemen, I should just like to refer very briefly to one aspect of the amendments which the Committee on Transport has again tabled, and my words are intended principally for the Council.

The Community's transport policy — as I have said before in this House — has so far been regarded as the Community's piggy-bank, the policy on which money can always be saved and nothing at all need really be spent. Until a few years ago there were not even any Community transport infrastructure measures in the true sense, and we had hoped in the Committee on Transport that this would change last year.

To our great concern and annoyance, however, we again find that the Council of Transport Ministers, which, as I remember, was supposed to meet last week to adopt at last a regulation on transport infrastructure measures of importance to the Community, has not met at all.

We thus find ourselves in a vicious circle from which we cannot extricate ourselves. There being no regulation on such measures, the Council can go on saying with impunity that the resources set aside for them in the budget are not needed and can therefore be deleted, as they were last time.

Gentlemen of the Council, you cannot seriously believe that 10 m ECU in payment appropriations and 5 m ECU in commitment appropriations is enough for

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transport infrastructure measures. These amounts are absurd, and anyone who has anything to do with transport policy knows that nothing can be achieved with so little. It is not even enough for the interest subsidies we would like to see granted for major projects of importance to the Community as a whole.

Gentlemen of the Council, I urge you to ensure that the Council of Transport Ministers adopts this regulation at long last, when it meets in late December, so that we can make some progress. I call on the Members of Parliament to support the amendments I have tabled on behalf of the Committee on Transport. They seek the reinstatement of the appropriations which we entered at the time of the first reading and were then reduced or deleted by the Council.

I should like to emphasize once again that transport policy is needed for a Community economic policy and for the fight against unemployment. We also need specific infrastructural measures. I therefore ask the Council to waste no more time in adopting this regulation and Parliament to approve our amendments.

Mrs Fullet (S), draftsman of the opinion for the Committee on Regional Policy and Regional Planning. — (FR) Mr President, ladies and gentlemen, in a budget which is not one of expansion the Committee on Regional Policy and Regional Planning is obtaining two-thirds of the requests made by it on first reading; that is not a miracle but also not a disaster. It will have to pursue its policy with the available budget. We must not lose sight of the fact that the Regional Policy Committee also calls for the implementation of reform and will be putting bigger demands in the 1983 amending budget.

What were the priorities of this committee?

Firstly, the Mediterranean programmes with the serious studies which they involve; those programmes had to be endowed with a revolving fund to restructure the economy of the Mediterranean countries. That fund has been the subject of a token entry this year; I hope that real appropriations will be earmarked next year, which is fundamental for the constructions of the Europe of tomorrow. Moreover, our committee has accorded vital importance to the studies in preparation for integrated actions.

If, as I hope, ladies and gentlemen, you adopt the amendments submitted to you by the Committee on Budgets, I believe that you will be taking a political step towards a reduction of unemployment in Europe.

That was our aim in the Committee on Regional Policy and that remains our conviction. I therefore hope that the amendments which will be put to you by the general rapporteur, Mr Jackson, will be accepted by the whole House to enable the Committee on Regional Policy to pursue a policy for the elimination

of unemployment and expansion towards the Mediterranean countries.

Mr Arndt (S). — (DE) Mr President, your rapporteur — my friend Robert Jackson — chose an image from the animal kingdom to compare previous budgets with the 1983 budget. This prompts me to make a comparison with regard to whether the Council is now moving rather more quickly or not. If you compare a snail and a tortoise, the tortoise fairly races along. But we are not, of course, satisfied with the speed of a tortoise, even if it is quicker than a snail.

To keep to the images from the animal kingdom, what our rapporteur proposed in spring, particularly as regards the social budget, had the speed of a greyhound. He should really have known that such speed cannot be maintained. In all these budgetary questions, including the fulfilment of the 30 May mandate, I would plead for the speed of a team of oxen. When I use the word 'ox', I am not, of course, making any kind of comparison with Members of the House; I am merely thinking of how much of our budget goes to agriculture.

This brings me to one of the basic evils of our budget. One of the main reasons why this Parliament rejected the 1980 budget after the first direct elections was that it was unbalanced, that is to say, the proportion earmarked for agriculture was too high compared with what was to be spent, for example, on the social policy, the Regional Fund and development aid. We refused to accept that a certain financial policy should be allowed to increase the structural surpluses in certain products even further in the future. But this is where we find the House becoming schizophrenic: during the debates on the budget we always call for moderate guaranteed prices for agricultural products, and yet whenever we consider the agricultural policy under the guidance of the Committee on Agriculture, the highest possible agricultural prices are demanded. There is a group of Members in the House who, despite all we are trying to do for Europe, obviously think only of the highest possible guaranteed prices for agricultural products and who, if they happen to be outvoted, try to get their way through the ruthless application of the Rules of Procedure. One of the most important points in this as in other budget debates is consequently that Parliament should at last adopt a clear and constant line on the question of the elimination of the surpluses, of reforms of the agricultural policy.

I should therefore like to reiterate the Socialist Group's aims in this context. It is our aim to maintain and increase jobs in agriculture. The present agricultural policy has destroyed and is continuing to destroy countless jobs in agriculture. It is our aim to reduce the structural surpluses. The present agricultural policy encourages the production of surpluses, and it encourages them in an increasing number of sectors,

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partly as a result of decisions taken by this House. It is our aim to integrate agriculture into our environment with due consideration for environmental protection. The present agricultural policy leads to soil erosion and the destruction of the environment. It is our aim to ensure that small and medium-sized farmers in particular earn reasonable incomes. The present agricultural policy has steadily reduced the incomes of small and medium-sized farmers and only increases the incomes of the large and wealthy members of the farming community.

This shows, I believe, that in this budget we again need to make a start on bringing about change in these areas of the agricultural policy. Otherwise, it will not only be the reputation of the agricultural policy that is destroyed, but also the reputation of the European Community and of the European Parliament.

And now to the positive aspects. One of the positive aspects of the 1983 budget deliberations is that Parliament has pinpointed target areas and that a wide measure of agreement has been achieved in this respect. One such target area — as Mrs Clwyd of the Committee on Social Affairs and Employment stated very impressively just now — is the fight against *unemployment*. But we of the European Parliament must realize, and we must say so in public, that we cannot, of course, achieve a great deal with the limited European resources we have for this purpose. We must not pretend that we can do anything decisive about unemployment with our financial measures alone. All we can do is point the way. Unemployment certainly cannot be combated with budgetary resources alone; restructuring measures are needed. I would remind you in this context that the Socialist Group suggests you cannot avoid taking a stand on a reduction of working hours.

If Europe is to point the way in the fight against unemployment, then it should emphasize that efforts must first be concentrated on unemployment among young people and women. Parliament is beginning to realize that this is where the emphasis must lie.

Another target area is *hunger in the world*. I am pleased to see that the Committee on Budgets fully appreciates this and has tried to draw the logical conclusions from the resolutions we have adopted in the past. I hope that here again the Council will build up more speed than that of a tortoise.

In this connection, I have two requests to make of Members. As we have not, in our opinion, fully exhausted our margin, we should be grateful if the modest amendment tabled by the Committee on Social Affairs and Employment seeking additional resources for the fight against poverty — all that is involved is 0.5 m EUA — found the approval of the majority of the House, of 218 Members, and if the other amendments tabled by the Committee on the Environment, Public Health and Consumer Protection on environ-

mental protection, on which we have also proposed numerous amendments, were also approved.

In future it will be important for Parliament to make an even greater effort to perform the tasks we have entered under the general heading of 'the mandate of 30 May' than it has been able to do with this 1983 budget. All we ever hear these days is 'the mandate of 30 May': the year 1980 is coyly forgotten so as not to remind people that almost three years have passed without anything being done. We have, however, made some progress in this direction: the reappportionment of resources not needed in the agricultural sector through the formation of a reserve fund, and the Mediterranean programme.

What distinguishes us from most other parliaments — and this is due to the Treaties — is that we are in fact condemned to agreement. If, therefore, we want to achieve something as a Parliament, there is no point in our pretending we have government and opposition parties: we have to have a majority of 218 votes. I believe there has been a very positive development in the last three years, which has resulted in Parliament grasping that this budgetary majority is a basic factor in our demand for more rights. As a budgetary majority can be found for the amounts we consider must be included in the 1983 budget, Europe is being given a clear sign that the European Parliament knows how we can get out of the crisis.

A final word to the Council's representative: I understand much of what he reads into the Treaties, one way or another. But it simply does not make sense for him to say that resources which are transferred to non-compulsory sectors and used as non-compulsory expenditure are still compulsory. Surely nobody will try to tell me that each European unit of account should bear an inscription to say whether it is compulsory or non-compulsory if it is being spent for one and the same purpose. That must be decided by reference to the line after the resources have been transferred — compulsory or non-compulsory expenditure.

The Socialist Group will support the proposals made by the Committee on Budgets. In some areas it will try to agree increases with other groups. Various Members will be talking about the supplementary 1982 budget later on, but even now I should like to thank all those who have tried to persuade our Parliament to adopt a unanimous position as far as possible. This is a step forward in the budgetary debate and reveals that the direct elections had a definite purpose, since the resulting Parliament is at least beginning to make it clear what the Europe of the future should look like.

(Applause)

President. — With regard to your comparisons from the animal kingdom, Mr Arndt, I must say that when one listens to the lively exchanges here in the House, one is not exactly reminded of the ox.

Mr Adonnino (PPE). — *(IT)* Mr President, Mr President of the Council, Mr Commissioner, ladies and gentlemen, this year, in view of the agreement among the three institutions reached on 30 June, we hoped to be able to avoid questions of procedure or of principle.

We wished to focus our attention on the choices of policies and actions to be implemented in the budget, in order to better qualify the intervention of Parliament. This is the reason that Parliament, for the first time since direct elections, voted on the first reading to increase non-compulsory expenditure at a rate lower than that proposed to the Commission in the preliminary draft, and to make certain significant modifications in compulsory expenditure.

It should be acknowledged that the Council, on its second reading, approved increases greater than the minimum maintained in previous financial years for the non-compulsory expenditures proposed by Parliament. In so doing it also took into consideration Parliament's eventual margin for manoeuvre, even providing for an increase in the rate. This was certainly a gesture of goodwill, and it raised hopes for a peaceful and courteous discussion between Parliament and the Council, leading to a vote satisfactory to everyone on the budget for the 1983 financial year. Nevertheless, the problem of the margin and of the correct way to calculate it has arisen once again on Parliament's second reading. The Council holds that no further margin is due to Parliament, contending that the amount of the transfers should not be included in the calculation of compulsory expenditure for the preceding financial year — figures which in turn serve as a basis for the subsequent computation. But where is this set down in writing? The Council holds that the transfers stem from the implementation of the budget rather than from its original elaboration, and that they consequently should not be taken into account. But no such provision exists, either in Article 203 of the Treaty of Rome, or in our financial regulations, including the already-quoted Article 16. It is therefore evident that the calculation should be made on the overall basis of the expenditures classified as non-compulsory for the preceding financial year, irrespective of whether they arise from the initial budgetary decisions or from eventual transfers.

In this controversy, the Commission supports Parliament in principle, but in practice, strangely enough, it believes that the amount of two transfers should not be computed. In regard to the first transfer, due to the mistaken identification of a line of credit as a differentiated appropriation, Parliament had approved increases only for commitments, and not for payments as well. The Council acted correctly (we readily admit that the Council is right when we believe this to be the case) in considering them as undifferentiated appropriations, therefore making the increase apply to both commitments and payments.

In regard to the second transfer, because of a dispute concerning the classification of the line of credit for which the transfer was proposed (without ever having taken place, since the relevant supplementary budget was never adopted), the transfer was applied to a line of credit which the classification stemming from the agreement of 30 June places unquestionably among the non-compulsory expenditures.

This is why we believe our calculation to be correct. We regret that once again this problem of compulsory and non-compulsory expenditure, which we would have wished to see relegated to the background, has strongly emerged in a 'doctrinal' dispute over the division of powers between Parliament and the Council. Bearing in mind that precisely along this 'line of demarcation' we have in recent years obtained an extension of parliamentary power, and this not due to unilateral concessions on the part of the Council but rather to an insistence on the correct interpretation of regulations, I believe that only this should have led us to set this sort of problem aside.

I would also like to remind the Council that, as far back as the supplementary budget for 1980, when Parliament enjoyed a greater margin following the increase in non-compulsory expenditure for the preceding financial year, legitimacy of its action was challenged, while subsequently, in the agreement of 30 June among the three institutions, it was expressly stated that the supplementary budgets are to be taken into account in the calculation of Parliament's margin.

I ask the Council, therefore, as I already did in the previous discussion: must we go through three more years of controversy in order finally to acknowledge the justice of Parliament's views, or would it not be better to look at the substance of the matter and admit that this margin exists and that Parliament, in making use of it, is only exercising its right and thereby contributing to the completion of the budget procedure?

This is why my group fully supports the increases for a maximum of 140 million ECU in payments and 178 million ECU in commitments, which constitute Parliament's margin according to our calculations.

We are also agreed upon the choices which were made in the Committee on Budgets and presented to you by the rapporteur: these choices respect the priorities we have indicated more than once, priorities supported by this Parliament as an institution and not by our group alone. We are proud to be able to contribute toward the expression of the will of Parliament as represented by the majority, if not the totality, of its members. We are pleased to see that increases have been granted to the Regional Fund, especially for the Mediterranean policies, which we consider particularly important. The funds needed to implement the policies on energy have received sizeable increases, both for payments and — especially, with 31 million — for commitments. Similarly, we observe with satisfaction the supplement-

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tary appropriations in payments and commitments destined for research, a sector of paramount importance. The same can be said for the transport policy; the three million increase in payments and especially the 13 million in commitments are in line with Parliament's guidelines for a policy it considers so important that it has made its development a matter of principle, even challenging the Council to take decisions or face an action in the Court of Justice. Finally — last but not least, as our English colleagues would say — we are very pleased with the substantial increases for cooperation with developing countries and third countries: 90 million in payment appropriations and 99 million in commitment appropriations bear witness to the importance accorded by this Parliament and by my group to a fundamental issue, to which we have devoted much energy. I would particularly like to mention the 26.5 million for food aid, the approximately 9 million for aid granted through the non-governmental organizations, and especially the approximately 51 million for world peace, for which Parliament had voted 58 million on the first reading. Considering the narrowness of the margins in which we are obliged to manoeuvre, Parliament has really made a substantial effort on the second reading.

Ladies and gentlemen, my parliamentary group will therefore certainly support the 137.5 million ECU in payment appropriations, and the 176.5 million in commitment appropriations approved by the Committee on Budgets and submitted to this Parliament.

I will go on to discuss the supplementary budget No 2 for 1982.

I am sorry to say that once again there are profound differences between the viewpoints of Parliament and the Council; I hope, however, that these will not be insuperable, and that a solution can eventually be reached.

The rapporteur, Mrs Barbarella, has already laid before Parliament the terms of the issue and the conclusions arrived at by the Committee on Budgets. I will say immediately that my group, having actively participated in the search for a suitable solution and therefore in the taking of the resulting decisions, agrees with and will support the proposals presented to us.

The problem has various aspects, some of which have already been described. I will now explain our views on others.

To my way of thinking, the central problem is not the use to be made of savings, and therefore not the advance payment of what will eventually be due to these countries — and this apart from the question of whether the sums involved are real savings, due perhaps to favourable conditions on the international markets, or whether they have been supplemented by sums deriving from a certain type of storage policy introduced by the Commission. This policy, which has

led to the non-payment of refunds, has worked very well this year, but it will most probably have repercussions on the next financial year.

Nor, ladies and gentlemen, should the problem — let this be very clear — be considered as peculiar to one of the Member States as such. Our position involves no hostility toward this country: on the contrary, we acknowledge that such situations can occur and that they should be rectified. We feel, however, that they should be rectified through the proper procedures and that the search for such procedures is also in the interest of the countries concerned, which certainly expect more from the Community than a simple rebate cheque. They need policies to help them overcome the internal difficulties which correspond to the difficulties being experienced in the Community as a whole.

As we are all aware, the problem arose in 1980. Among the solutions proposed was the so-called mandate from the Council to the Commission, enjoining the latter to propose measures to ensure a better balance of Community policies in the interests of all, providing for a gradual Community development and solving the problem of the necessary financial resources.

Only the knowledge that time was needed in order to attain these objectives — 1980, 1981, and, if necessary, 1982 — made the acceptance of these temporary measures possible; Parliament itself had serious reservations, for it feared even then — and with reason, as we see today — that what began as temporary would imperceptibly become permanent.

What has become of the mandate? The Commission has indeed drawn up proposals; it has also modified them and brought them up to date, but the Council has postponed the moment of decision again and again, demonstrating its total inability to provide a suitable and concrete solution to this problem of the excessive contribution of own resources, on the part of a Member State, to the finances of the Community. What should Parliament do at this point? Parliament should grasp this opportunity to exert pressure on the Commission — on the Commission too, Mr Tugendhat, because of the additional contribution it can make — and especially on the Council, so that the rebalancing of policies will be carried out and the related problem of the necessary resources solved. This, ladies and gentlemen, is a problem of great political significance: it is the problem referred to as 'the growth and definitive construction of Europe.'

The President-in-Office of the Council said this morning that, although agreeing on these objectives, he felt that if we did not adopt the supplementary budget No 2, it would be more difficult to arrive at other solutions, and that the Council would like to be able to devote its attention to other more important problems. But, Mr President, permit me to tell you quite bluntly: you have had two and a half years to devote

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your attention to these other more important problems, and you have not been able to solve them!

(Applause)

It is now up to this Parliament to do whatever it can to compel you to find a solution, to mediate between you. We know that political action is difficult, especially on the international level, but you must provide concrete answers, the only kind that this Parliament can approve.

Three types of problems exist, therefore. Only two of these are quantitative in nature: the advance and the accuracy of the calculation. We do not forget that a problem has also arisen in respect to the provisions for 1980-1981: this Member State received transfers over and above what was due, as was made clear after the fact when the calculations were reviewed. The disparity is very great — about 1 000 million ECU. At this point we may well ask, Mr Commissioner, how this error came about. If there are reasons for it, explain them to this Parliament, for my group wishes to be informed.

Then there are the qualitative aspects: the types of intervention, the kinds of policies, the conditions on which we wish them to be carried out — conditions which ought to be truly European. This is why we support the proposal to modify both the regulations and the commentary. There remains the problem of classification, but I will not discuss this; time is passing, and Mrs Barbarella has already spoken of this matter. I fully agree with the views of my group in this regard.

I therefore join in the appeal that has been addressed to the President of the Council and to the Commissioner, the appeal for a solution. A true solution, however, must be a European solution — the only kind that Parliament and my group can support. Therefore, gentlemen of the Council, let us not waste time in argument over procedural matters; let us rather look at the substance of the problems and provide for these problems the correct solutions.

(Applause)

IN THE CHAIR: MR B. FRIEDRICH

Vice-President

Mr Balfour (ED). — Mr President, other members of my group will no doubt address themselves to the Saby report, and Mr Jackson's presentation on the 1983 draft general budget is wholly acceptable to my group. I would merely congratulate him on the diligence and intellectual thoroughness with which he has guided the

Committee on Budgets through its negotiations with the other committees and on the way he prepared his many working papers and reports. He has been a distinguished budget rapporteur, even if we have disagreed over certain points of detail. I would also congratulate Mr Fich, the Socialist coordinator, on his efforts to achieve a united parliamentary response to the Council's provocative ill-treatment of our priorities.

However, I wish to concentrate my own remarks this morning exclusively on the Barbarella reports. I realize that it is too late now for what I have to say on behalf of my group to have any effect whatsoever on the rapporteur's reports, resolutions or amendments. We tried hard in committee to reshape these reports, to render them less confrontationist, but we failed. We were unable to get even the smallest of our proposed amendments through. I should like now to state the position of my group in a debate which may be of importance to other groups in terms of its constitutional significance for the budgetary powers of this House but which is of absolute political significance to my own group and to the people who sent us here. Indeed, I am prepared to claim that every British MEP, of whatever political shade of opinion and of whatever European conviction, is shocked by the complete lack of balance in these reports and by the complete lack of political understanding shown by our other colleagues during the committee stages of these reports.

I am assured by my friends that these reports are not anti-British and I am assured that a good case can be made for believing this. My friend, Mr Adonnino, has tried hard, but I ask myself how I am going to explain to my constituents in my own country, to those who spend their free time campaigning for greater unity and understanding in Europe, that the Community has not only failed to adopt a permanent mechanism for our budget contribution to be reduced but that even the *ad hoc* arrangements proposed by the Commission and painfully agreed by the Council are now to be rejected by this institution.

And rejected for what reasons? Because Parliament wants a different kind of 'classification' for these *ad hoc* payments? What do *they* know about classification? Because the Parliament considers that the concept of net contribution, and I quote, 'seriously jeopardizes the principles of the financial autonomy of the Community and the system of own resources'. In other words, that the idea of net contribution and net return is wrong? Because this same Parliament, ably led by an Italian and intelligent Communist, considers that the compensatory measures for the United Kingdom may create imbalances in other Member States, in other words, that to be fair to the United Kingdom might actually cost other people money? Because the United Kingdom did less badly in 1981 than our continental friends would have wished? Because this Parliament would have liked the Commission and the Coun-

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cil to have come up with a permanent solution quicker, or because Parliament believes that the UK alone cheats on Community policies?

Is this what I must say to my constituents? Is this how I must explain Parliament's *communautaire* approach? The people who sent us here knew well that membership would cost us a lot of money. They knew that it would take time to develop new Community action and policies, but they placed absolute reliance on the promise, on the sacred undertaking, that a solution would be found. They placed their faith in the Community, and I place my faith in the goodwill and sense of justice of our partners.

I did not tell my constituents that the promise to lessen our burden would be made conditional on a new classification, or on the Council producing a permanent solution during the first half of 1983. We wanted one in 1977. I did not tell my constituents that we would only get these refunds if they did not create imbalances for other Member States — how utterly absurd! Nor did I ever say that it was wrong to look at net contribution. How dare Mrs Barbarella tell me that this puts the concept of own resources in jeopardy! I would tell her that if she does not look at the net contributions, she will never get an increase in our own resources. And if she does not make it fairer, she may yet lose the enthusiasm with which those own resources are contributed. And why should my good friend, Mr Adonnino, have asked me to persuade my group to support Mediterranean programmes during the first reading of the 1983 draft budget, if he really believes that the concept of net contributions is somehow wrong?

And what do I say to my own group? For months I have argued before my group that we should at all times adopt a more *communautaire* approach. In many ways I had hoped that we had succeeded. We do not only or always vote with an eye to the chequebook. We vote for what we believe is good for Europe. We recognize that there are other nationalities and interests beside our own. What do I now say to my friends behind me? How can I explain the fact that now, when an immediate refund of 1 000 million ECU is needed, Parliament will refuse it unless the Council gives way on a variety of points of principle? How can I possibly persuade them that these Barbarella reports are not anti-British, when they expressly and intentionally penalize the United Kingdom with a unique requirement for 50 % advances, though the regulation and precedent say otherwise, when they quite shamelessly express concern that reducing Britain's costs may create imbalances for others and when they have been violently opposed by every British MEP in this House?

You, who believe in majority voting, should think about the effect of this point, of this purist line, on those who fear that the essential interests of one Member State could well be disregarded in future. Do not destroy our illusions. By all means pass your various

Barbarella resolutions. By all means strengthen Parliament's negotiating hand in conciliation with the Council, which is itself most seriously at fault. By all means try to impose greater control over the spending of our Funds. But do not hold out on classification next Thursday. Do not hold out for 50% advances. And do not hold out for a new regulation. If you do, I shall certainly and most happily resign my position as the budget spokesman for my group.

I still believe that in the end our friends will think again on Thursday about their impossible preconditions and about the penalty that this would impose on my country for the failures of their own government representatives on the Council of Ministers and the failures of the Commission. If they do not, and the budget is rejected, I shall have completely misplaced my trust and I shall want to play no further part in the discussions of this institution's most important committee, for it will have acted in bad faith to penalize my own country and to give those members of the Council who most want to undo the May agreement a perfect excuse to run away once again from their Community obligations.

(Applause from the European Democratic Group)

Mr Gouthier (COM). — *(IT)* Mr President, Mr Commissioner, Mr President of the Council, ladies and gentlemen, on behalf of the Italian members of the Communist and Allies Group, I once again express our firm opposition to the approach adopted in the Council's draft budget, I also restate the opposition we have already expressed in the Committee on Budgets to the approach adopted there, which we considered from the first to be based on ambiguous criteria, particularly in regard to the relationship between the various policies, the various funds; above all we deplore abandonment of the principle of the increase of own resources, for which Parliament has always fought and which remains fundamental in our eyes.

As was rightly pointed out by the speakers who preceded me, the problem of the supplementary and amending budget presented here by Mrs Barbarella is of great political importance.

I would like to say immediately that our group will fully support the correct and important decisions taken by the Committee on Budgets. The problem is one of great political importance and it is connected with the basic question of the legitimacy of the concept of the 'net contributor' country. In the Committee on Budgets, we pointed out that this is an ambiguous concept, difficult to quantify. In fact, the relationship of each country within the Community context cannot be determined in financial terms, since many other factors must also be taken into account: commercial relationships, growth in industrial and other sectors.

We wished to consider, openly and frankly, the problem of the United Kingdom. We recognize, beyond all

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ambiguities and all mistaken approaches, that there is a political problem and also a psychological problem. Above all, ladies and gentlemen, we must address a necessary and severe criticism to the Council for its inability to deal realistically with this problem of imbalances. The Commission as well, however, also bears serious responsibility.

The Commission, throughout this delicate affair, has been and remains subordinate to the Council's inability to decide, particularly in regard to these repeated proposals, which do not go beyond the suggestion of supplementary measures in favour of the United Kingdom, and now also in favour of Germany.

This principle, ladies and gentlemen, leads to the destruction of our Community; it leads to the transformation of the budget from a series of Community policies, the expression of a Community political will, to an instrument for the defence of limited and corporative interests. The structure of the budget reflects to an ever diminishing extent the effect of new policies, and to an ever increasing extent that of compensatory 'fragments'. If we examine the amounts involved in these supplementary measures we can see that they represent a considerable proportion of budgetary expenditure.

If this tendency is not arrested, if Parliament and the Community bodies do not have the strength to make a political effort to reverse it, this inertia on the part of the Council will become even more dangerous as the economic, social, and financial crisis of our continent deepens, a crisis which is making budgetary problems more acute in all countries.

The central issue was fully grasped by the Committee on Budgets: what is Parliament's role in this situation? Parliament is obliged to make a choice: it must either tolerate the inertia of the Council and the Commission, accept this convenient but dangerous concept of periodic recourse to supplementary measures to be gradually extended to other countries; or it must be able to reverse this tendency, through a sudden reaction of political pride. This is what the Committee on Budgets has tried to do, fully supporting Mrs Barbarella's report.

Apart from certain debatable details, the Committee on Budgets' paramount desire is to replace this issue within the context of the Community policies, in regard to the supplementary measures in favour of both the United Kingdom and the Federal Republic of Germany.

This is the central political question, and we will contribute toward the constitution in this Parliament of the majority necessary to assert the will to renew and strengthen the Community and to continue the process of integration, affirming the Community political presence on our continent and in the world.

Mrs Scrivener (L). — (FR) Mr President, ladies and gentlemen, I shall be speaking on the 1983 draft budget; my colleague, Mr Louwes, will be dealing with the supplementary and amending budget for 1982. However, I do wish to draw your attention to the historic importance of the decision which this Assembly will be taking on the supplementary and amending budget.

By adopting the amendments tabled by the Committee on Budgets, Parliament will be putting on record its determination to oppose measures which bear with them the seed of destruction of the European Community. On that point I agree with Mrs Barbarella and I must say that unfortunately neither the statement by the Council nor that by the Commission have done anything to convince me. Of course the British problem must be solved, as we all know, and I think that the idea that we can solve this problem through Community policies is the only possible approach. But it is becoming increasingly clear that Parliament alone today is the guardian of the European spirit.

As regards the 1983 budget, I wish to congratulate the rapporteur because this is the first occasion on which the budgetary procedure has been conducted in so satisfactory a manner, thanks to the effort at consultation and as a result also of the idea of defining general guidelines for the budget from the outset. Emphasis should also be placed on the effort made by the Council as regards the overall additional endowment which it accepted on second reading. Of course our views on the margin available to the Assembly differ from those of the Council. But let us be realistic and recognize the fact that as compared with previous years the Council has really tried to fall in to some extent with Parliament's wishes. For the Social and Regional Funds substantial increases have been adopted and in these sectors only a few corrections will have to be made by Parliament. While the Council has taken account of one of the priorities adopted by Parliament, namely, the fight against unemployment particularly among young people, it has disregarded the second priority, that of the fight against world hunger, since it has agreed to only 22 million ECU as against the Parliament's request for 159. The Liberal Group therefore supports the amendments adopted by the Committee on Budgets with a view to reinstating 90 million ECU. Those amounts coincide perfectly with the position which Parliament has always adopted. We cannot enter into any discussion on this point.

My group's second major disappointment concerns the energy and research sector. It seems absurd that the governments should speak throughout the year of the urgent need to pursue a common energy policy only to see those selfsame governments forgetting their words when the time comes for action. In this sector the Council had disregarded most of the Assembly's requests.

The general strategy reflected in this budget should be

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the subject of more general consideration. While the increase in the Social Fund and Regional Fund endowment may appear satisfactory at first sight, it is not so satisfactory from the angle of the progress of European unification. In large measure these funds amount to nothing more than a simple equalization fund between the Member States. Moreover, this budget contains no opening for new common policies. Energy is one example, but reference might also be made to investments, advanced technologies and transport, to say nothing of a real industrial policy. In these areas the Community has done nothing as yet.

We therefore support the amendments made by the Committee on Budgets with a view to using the entire margin for manoeuvre as defined by Parliament. The few amendments tabled by the Liberal Group are designed to initiate these new policies. Moreover, it is useful to point out that by refusing yet again to budgetize borrowing and lending operations the Council has failed to respect one of the essential requests made by Parliament. We deplore this fact, and it is a point to which we shall return vigorously in our consideration of the 1984 budget.

In conclusion, Mr President, this budget as modified on second reading by Parliament may not meet all our aspirations but nevertheless seems acceptable by reason of the precise pointers which it sets for the future.

(Applause)

Mr Lalor (DEP). — Mr President, once again we have been faced with a challenge to the principles of the common agricultural policy in the context of the 1983 budget. Once again, unfortunately, certain Members of this Parliament have tried to restructure the budget by weakening the agricultural sector. In no way can the budget be used as an instrument to bring the common agricultural policy into question. As I see it, the Council can only be applauded for rejecting a net cut of 33 million units of account in obligatory EAGGF spending, along with the rather dubious reserve of 137 million units of account which resulted from the first reading by way of some rather odd and strange and peculiar manoeuvrings.

I would, however, like to congratulate the Committee on Budgets for its initiative in increasing the appropriations for the Regional Fund. This, as I see it, can result in increased assistance for deserving regions, which is what hopefully the purpose of the Regional Fund is. This attitude on the part of the Committee on Budgets is highly laudable and, I would hope, can only be supported by all Members of this Parliament.

At this point I would like to make a few points about the 1982 supplementary budget. I would remind the Assembly of the masquerade that took place prior to the fixing of the 1982-83 farm prices and the extraor-

dinary Community spirit shown by one Member State at that time. As a result of the unprecedented and highly questionable tactics used, there was an extraordinary seven weeks delay in the fixing of farm prices. The direct consequence of this masquerade was a loss of income of more than 500 million units of account to the farmers of the Community, which naturally was a particularly heavy burden on the farmers in my own country. This situation was totally unacceptable then and is totally unacceptable now.

What exactly are we being asked to do in the supplementary rectifying budget for 1982? We are being asked to use what some people call on over-evaluation, what others call savings but what I call income stolen from farmers, to repay God-knows-what to these same people who were the sole cause of and must bear the full responsibility for the sombre cuts in farm incomes in 1982. To me this whole farce is a little bit like Robin Hood gone haywire — robbing the poor to pay the rich. At some stage during this debate I would like the Commission to detail clearly the amounts unjustly refunded to the UK over the last two years due to over-evaluation, for reasons which are somewhat obscure to me. What has happened to these enormous sums of money, and how does the amount in question compare to what we are now being asked again to refund to the UK? A clear straightforward answer from the Commission would enlighten this debate and would, I am sure, assist many Members in their decision to reject this supplementary budget, as I and my colleagues will most certainly do.

Mr Bonde (CDI). — *(DA)* Mr President, if we were to seek appropriate images to describe the budget situation and the budget debate in Parliament, I always think that we should end up with images from the criminal world. The supplementary budget we are dealing with today and are to vote on this evening can indeed best be compared with double robbery. The first break-in is organized by the Council of Ministers and, as soon as Parliament sees that the Council of Ministers has collected some booty, Parliament sets its sights on it and wants a cut. The second break-in is then organized by Parliament.

I am not contesting the Council of Ministers' right to pay back 10 000 million kroner to Great Britain and Germany. As ten sovereign States they can do what the devil they like, provided they have authority for it from their parliaments at home and provided they put it into effect outside the framework of Community cooperation. It would also be an idea perhaps if Parliament were to reject the supplementary budget tomorrow or on Thursday. But the correct procedure in my opinion would be to amend the Treaties themselves, if we want to do these things within the framework of official Community cooperation. It would be like going to the bank during normal opening hours and drawing money on normal bankbooks. The Council after all has unlimited assets in bank accounts and can

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withdraw whatever it likes at any time. But why, if this is the case, go to the bank after closing time and draw money on false bankbooks?

Four times I have tried to get the Commission and the Council to tell us where they intend to set the limit between a small legal adjustment and a real amendment to the Treaties. Is it legal to transfer 20 000 million? Is the limit 10%, 20% or is it perhaps permitted to transfer 100% of the budget? If we do not get a precise answer telling us where the limit lies between what is legal and what is illegal, I will feel entitled to take the text of the Treaty as a basis, and here — as far as I can see — there is no authority for making Danish taxpayers, for example, pay out a few hundred million kroner to keep Great Britain in the EEC, and against the people's wishes at that.

We in the Popular Movement against the EEC regard the Council's supplementary budget as a violation of law and robbery. Obviously we cannot vote for it. But neither can we go along with Mr Fich and the rest of the majority in Parliament who want to steal the Council's ill-gotten gains and use the supplementary budget as a pretext for transferring legislative power from the Council of Ministers to this supranational Parliament. What are they doing with the supplementary budget? They are trying to use the 'remarks' as a device for replacing, for example, the basic Regulation on the Regional Fund, with something else, and they are seeking to get round the agreement which Parliament fought for and won on 30 June, by changing the contribution for Great Britain and changing the classification so that it becomes an item of non-compulsory expenditure. I wonder if the Council will soon realize that it cannot enter into agreements with this Assembly? If it will soon cease to behave like a mass of plasticine, shaping itself to Parliament's demands for power. Parliament is not even demanding serious influence. It desires power, and that is why Mr Jackson will on Thursday suffer his second great defeat in this Assembly.

Mr Jackson's work in Parliament is indeed a very good object lesson. The first time, he tried to get control of Parliament's own expenditure, and he came up against a wall of opposition. He has now attempted to gain some power of supervision over the Commission's administration of the agricultural expenditure, and here he has come up against another wall of opposition in the EC Commission. He is in this way seeking to secure for Parliament some real influence on the composition of the Community's expenditure budgets, and here he could have cooperated with the Danish Presidency, which is apparently willing to pay anything in order to avoid a row. But on Thursday he will be cut down by a majority of what our former Minister for Foreign and Economic Affairs has called '*flom-europaeere*', i.e. European demagogues. For they will not cease their constitutional struggle until the Council of Ministers is on its knees, and the only thing that

can save Mr Jackson on Thursday is Parliament's own negligence — and that is quite considerable.

Mr Eisma (NI). — (NL) Mr President, during the first reading of the 1983 budget in October we had occasion to remark on the totally insufficient appropriations in that budget for areas such as development aid, environmental and energy policy as well as for industrial and employment policies. Totally insufficient.

At this stage I intend to enlarge only upon the ramifications of this budget for Community employment policy. At the end of November we had a so-called 'exchange of ideas' with the Youth Forum. In the event the meeting could have been more appropriately dubbed a pathetic outburst of fury on their part, given the Community's inability to offer any satisfactory employment or vocational training perspectives to its 4.5 million unemployed under the age of 25. And we, as members of the European Parliament, sat in hapless resignation. We were, after all, unable to guarantee these youth representatives a viable solution to their dilemma through our own very meagre Social Fund. Let it at least be clear to one and all that these 4.5 million unemployed youth in our Community are slowly but surely reaching the end of their tether. We, as European parliamentarians, would find it a laudable initiative were the Council to emulate us in assisting at one of these encounters with the youth representatives. Indeed, with the permission of the House, I now take this opportunity of so inviting the Council to assist directly at one of these encounters with the representatives of so many millions of our Community's unemployed young citizens.

Back in October we still had hopes that the Jumbo Council, scheduled for mid-November, would have taken the necessary measures to guarantee school leavers either employment of some sort or alternatively vocational training schemes. Unfortunately, in the absence of any such measures emanating from the Council meeting, those hopes were dashed. A glimmer of hope may be perceived in the Council budgetary session of 23 November, during which the allocations for youth employment schemes, under title 6011, were substantially increased. Notwithstanding this, it is clear to Council, Commission and Parliament that even such a substantial increase in these budgetary allocations will not make any lasting contribution towards solving this intractable problem of youth unemployment. Even if the objectives of the Jumbo Council were to be approved i.e. a guarantee for unemployed youth either of a first employment or of vocational training courses, how could it possibly be implemented in the light of the totally inadequate Community resources?

To repeat what we stated in October, it is well-nigh immoral to raise people's expectations by making optimistic utterances, as the Council has repeatedly

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done, only to see them dashed as a result of that same Council's inadequate allocations to the relevant budget title, in its definitive budget recommendations. A blatant example is furnished by the Council's proposed allocations to title 6010, youth vocational education, slightly more than half of the amount requested by Parliament, a truly shameful state of affairs, Mr President.

Finally, Mr President, I would point out that the Council has allocated insufficient funds to all of the remaining areas of the Social Fund where Parliament had requested increases. Hence our support for the amendments of the Committee on Social Affairs and Employment, whose aim is the maintenance of the suggested increases. We owe as much to the Community's unemployed, both young and old.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, Mr President-in-Office of the Council, Mr President of the Commission, ladies and gentlemen, as I did last year, at the time of the British Presidency, I should like to begin by saying that the Danish Presidency has made a very great effort to find European solutions to a number of controversial issues. I am well aware that, whatever his personal views and feelings on such issues, the President-in-Office of the Council has to defend the Council's position here. But we have seen once again that some Member States are more committed to Europe than certain others. We shall see how the next Presidency acts from 1 January onwards. What we are discussing today will in itself be a commendable task for the next Presidency.

To the Presidents of the Council and Commission, however, I must say that, notwithstanding my opening remarks, some criticism must be levelled at the Council's attitude on certain questions, which Parliament regards as fundamental. It seems that the Council has still not grasped that the budgetary authority consists of two parts, the Council and Parliament. We are constantly being told that we have reached a difficult political compromise. The question is, with whom? Within the Council, within one part of the budgetary authority. The Council has not moved a single millimetre towards Parliament, the other part of the budgetary authority. And yet it calls on us to be willing to compromise, but confuses — to put it bluntly — compromise with the acceptance of a dictate: we — the Council — have come to an agreement, and Parliament must give its approval, there are no two ways about it.

That is not the way to do it. As Commissioner Tugendhat has pointed out, Parliament has for years sought a generally agreed and acceptable financial and political solution to certain problems, particularly that concerning the United Kingdom. I would refer Mr Tugendhat to the resolution of November 1979, which proposes a new financial instrument and also says that

a further requirement for the various sectors concerned is an appropriate Community policy, because otherwise a financial instrument of this kind will not work.

Two things are needed in this connection: the political will to get certain things moving in certain areas of policy with a view to improving the social and economic structure of the various Member States, and an appropriate financial instrument which precludes the difficulties encountered in the past.

It is no good taking a one-sided view of the matter. The Council should at last try to understand that Parliament has developed its ideas over a period of five years and in 1980 was reluctant to accept the solutions proposed for overcoming the difficulties of *one* Member State. It was felt at the time that these solutions should apply for a limited period, not indefinitely. We now expect the Council to make a serious attempt to find a solution like that offered in its original proposal and in the six months of the next Council Presidency to put forward a proposal which will enable these difficulties to be avoided in the future. If the Council is willing to let this be the last time, there are quite a few things we can talk about.

Last Wednesday, when the three Presidents met, we again found that the Council was unwilling to budge. The President of the Council may not have found this possible at the time, but the members of the Council must realize that their compromise in fact infringes both the Treaties and the agreement of 30 June and that Parliament cannot go on approving such infringements indefinitely. To this extent, Parliament is perhaps the only institution in the European Community to have a distinctly European consciousness.

I would ask the President of the Council to realize that another Member State must now be considered in the context of the proposal it has put forward. In the Committee on Budgets there was talk of a claim by a third Member State, and tomorrow and the day after other Member States may be coming forward with their special demands, calling for the application of the principle of *juste retour* or something similar. If this goes on, the Community's general budget will one day be split into ten separate parts, which will mean that there will no longer be a Community budget or Community policy. That is the danger we foresee in this connection.

In fact, the members of the Council realize this too. They should forget their prestige for once and stop thinking that only the governments know what must be done and only they ensure progress is made in the Community. If Parliament reaches a decision other than that proposed by the Council, it will not be because it is anti-British — I must make that absolutely clear — but because it is adopting a position that is in the interests of the Community and also helps Member States which are in difficulty. The Council

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has brought about the present difficulties with the decisions it has repeatedly taken in recent years.

It knows that Parliament was reluctant to cooperate. Parliament wants an end to this patchwork, and I urge the President-in-Office of the Council to try to persuade the Council to ensure that an end is put to this patchwork policy, so that we can talk to one another sensibly and, when the budgetary procedure is completed, we have a supplementary and amending budget for 1982 and also an effective budget for 1983.

Anyone who does not choose this course will be causing difficulties for the Community and worsening the crisis in the Community. It is not Parliament but the Council which is to blame for this crisis. It is the Council that is leading the Community into the crisis about which it and individual Ministers talk to Members of this House — either on the telephone or by telegram — and it alone can help to prevent this crisis by meeting Parliament halfway on its European views.

Together we form the budgetary authority, and we must act together. I make this request to the President-in-Office of the Council. I presume that I have his sympathy in this respect, but I am not sure this is true of the other members of the Council. We all know that the Council is responsible for the 'crisis', and it is also responsible for finding a way out of it.

(Applause)

Mr Fich (S). — *(DA)* Mr President, on behalf of the Socialist Group I should like to say a few words about supplementary and amending budget No 1, for this rather dreary title conceals an extraordinarily interesting political matter, that is, the repayments to Great Britain and the Federal Republic of Germany. We should remember that it is the third time a repayment is to be made to Great Britain.

It is interesting to consider what this repayment is based on. It is based on acceptance of the idea of a net contribution, i.e. the possibility of calculating what each country receives or what each country gets out of the Community.

I have never thought that anyone believed in this idea. I accept that some Heads of State or Government have used it as propaganda, but I have never really thought that anyone really worked on this basis and believed in it. I am surprised to hear, amongst others from the Committee on Budgets, and here, that various of my colleagues at the moment actually believe that this idea of a net contribution has real content.

What is the true content of this concept? Yes, the truth is that, if you are going to calculate a net contribution, it must be clear how much you pay in and how much you get out, and you must be able to subtract one sum from the other. But what do the various countries pay

in? In reality the individual countries pay nothing in. Now that the own resources system has been introduced, the concept of in-payments on the part of the individual countries no longer exists.

Nevertheless some of the countries set to work and calculate how much their citizens in a particular case pay in to the Community budget. But even this is quite unrealistic, for it depends, for example, on where the receipts from the Community's external tariff wall arise. They arise entirely at random, depending on the localization of the traffic in trade. At present they arise in certain specific countries, such as Great Britain and the Netherlands, on traditional grounds, but they could equally well arise in other countries, because we are now a common customs zone. Thus the in-payment configuration is quite unclear, since in reality it is based on a few historical facts, which can hardly be called random circumstances.

What about outgoing funds? The pattern of expenditure is also a highly random one. The crucial area of expenditure is the agricultural sector; it arises in places from which exports flow out of the EEC market or at which stores of farm products are accumulated. But intra-Community trade in farm products, which is a very important economic factor, is not reflected at all in the budget, and the expenditure side therefore bears no relation to reality. If you add to the whole set-up the fact that all intra-Community trade in industrial goods, which after all is considerably more important than the trade in farm products, is not covered by the budget at all, you must surely concede that the concept of a net contribution has nothing whatever to do with reality. What you can calculate means nothing. Even so, the principle of repayments to Great Britain is for the third year running — and this time to the Federal Republic of Germany as well — being based on the idea that it is possible to work out such a net contribution. This time — as on the previous occasions — we are not talking about small change.

Last year it was an amount of the same order as the Social Fund and the Regional Fund put together. This year it is less, but this year too it still involves a quite considerable sum.

I must say that the Socialist Group is not happy with the proposal which has been put before us by both the Commission and the Council of Ministers. Our dissatisfaction flows from some experiences we have accumulated. We have had the experience that the calculations on which it is based, apart from being completely wrong, are also technically unsound. We have observed that the views held on what Great Britain would end up paying net for the past two years have proved completely mistaken. We saw that the calculations were out by a few hundred per cent. We also saw that the funds were clearly not spent for the purposes for which they had been earmarked. The intention had in fact been to give added impetus to infrastructure work in the country which received the repayments.

Fich

And what did we see? The country concerned simultaneously cut back its national programmes, so that that added effect, the economic generator effect, was completely absent. Finally we have had the experience that the reports we get back on this affair — and I have one of them with me here — tell us less than nothing. We'd have been as well off without them. I have studied them several times but, when you read them, they turn out to be full of commonplaces and we know no more about the use of the funds, when we have read these reports, than before we got them. So our experience with this entire system is utterly negative.

We therefore say, this year too: OK, if it cannot be otherwise, if the Heads of State or Government base themselves on a faulty net contribution concept and still insist that money should be paid out to two countries, let us at least define what the money should be used for and institute clear means for controlling the use of this money. That is what we want. What do we define? Yes, what we define in reality is nothing but Community policy only in general. For the repayment to Great Britain we define specific regional areas. We define specific sectors: in the transport sector, primarily public transport and, in the energy sector, energy savings, alternative energy, substitution of oil products etc. All together, Community policy. That is all we wish to define this year, what the money is to be used for, so that it is clear to everyone that it will be used for that.

We also want better means of control. We do not merely stipulate that only 50% be paid in advance and that 50% be paid once verification has been carried out; we also define very clearly what things we want to see in these reports, which we hope we shall continue to receive under the forthcoming arrangements. Finally, we say that these are items of non-compulsory expenditure. And why do we say that? Is it because we want to have the use of all this extra money next year, since it will give us a tremendous margin of manoeuvre? No, it is not. It is because we quite simply think that this is not compulsory expenditure and because energy programmes, if they go beyond the normal budget or, as here, are implemented in a certain country, must be of the same type. These matters of transport, regional development and energy in Great Britain must also be of the same type as all the other expenditure, since they form part of the Community's activities in general.

I think it is fair to concede that there is such a thing as the British Problem. There is a British problem, but it is not a budget problem; it is a development problem. It is a problem for British industry, for British agriculture, which have been in a very difficult situation and have not been able to get out of it, and I think we should be prepared to help. But if you believe that it is a budget problem which can be solved merely by paying back a bit of money, you are deceiving yourself.

What could have been envisaged instead would have been, for example, to institute a fund under the Com-

munity budget designated 'fund for assistance to industries in difficulty' and to give more stimulus to British industry by way of such a fund, which moreover would benefit all Member States. We would gladly go along with something on these lines, because in that way we act on the problem itself, which is not the case in the proposal before us. The best proof that I am right in this assumption is that we have had this arrangement for two years and we have seen that these two years of repayments to Great Britain have not solved the problem. On the contrary we are in a situation which is at least as bad as it was two years ago.

I will close by saying that the whole affair is brought into perspective by the fact that we now have a proposal before us which is given such a fine name as 'the follow-up solution'. What is the follow-up solution? It is to continue the arrangement for three more years. It therefore makes sense for Parliament to say quite clearly that we do not want to continue it for another three years. This is the last time, and this time quite simply we want to lay down certain very specific conditions for the operation of the scheme.

IN THE CHAIR: MR MØLLER

Vice-President

Mr Klepsch (PPE). — (DE) Mr President, ladies and gentlemen, my group endorses the proposals the Committee on Budgets has submitted to the House on the supplementary budget. They attempt to find a solution which will enable the Council to reconsider its position, but are also designed to emphasize that we must have a policy which relates to the Community and that we must not, therefore, gradually sink to the level of a kind of coalition for the granting of concessions to individual Member States. That would be all the more depressing for us since we have always tried to put a stop to this muddling along from one day to the next, of finding a solution for today and another for tomorrow.

As long ago as the autumn of 1973 Parliament put forward proposals which would have prevented a situation of this kind. Our efforts in connection with the mandate of 30 May have also been geared to making the financial mechanism into something like a financial equalization system. Unfortunately, we have not been successful, and all we have ever had are provisional arrangements, each of which, we have been told every year, will definitely be the last. My group therefore welcomes the attempt by the Committee on Budgets and by the House to give the Council this chance to bring things under control in such a way that the Community does not come to any harm, and on behalf

Klepsch

of my group I should like to thank the Committee on Budgets for this.

I would, however, ask the Commission how it is possible for a Member State to be paid up to 1 000m ECU too much. My group finds this very difficult to imagine. Normally people are called to account for far smaller amounts. How is so enormous a sum — especially in relation to our budget — arrived at, without its being noticed, we are told? This surely conflicts with any requirement to exercise care in the implementation of the budget. My group in no way believes that this matter will be settled with today's debate.

I also have a few words to say to the Council. We have a number of general principles in common, and we set great store by them. I believe that the Community is the only institution not to use that pernicious instrument, deficit financing, in its budget. We are together trying to avoid this, and I would be proud if we succeeded in abiding by this principle in the future. However, we must also be in mind the limit imposed on own resources by the 1% share of value-added tax. We quite appreciate that it will be difficult for the Council to exceed this 1% this year or even next. We also appreciate that this subject will only be discussed in depth again in the context of the financial constitution and the accession of Spain and Portugal.

However, two aspects must also be considered when it comes to the adoption of the budget. Firstly, Parliament has repeatedly made great efforts to save or to keep the Community budget under control — either through its budgetary control activities or when adopting the budget. Secondly, as we all know, world market fluctuations have a very considerable influence on our budget. We may have reserves for this purpose, but they are not sufficient to my mind.

Everyone must surely realize that a parliament that is intent on saving is extremely disappointed when it sees what it has laboriously saved flowing away into bottomless pits, into budgets, in other words, which unfortunately are not subject to the principles which we together apply to the Community budget. Try to put yourselves in a parliamentarian's place. Our advice to the Council of Ministers, therefore, is to take the hand the Committee on Budgets and Parliament have extended, so that we can see to it that the questions of the financial constitution and financial equalization are settled once and for all. Just think how we would conduct this debate if Portugal were already a Member State.

The decisions, which have our support, are not aimed against the United Kingdom or the Federal Republic of Germany. Quite the contrary: we are together trying to find a solution, but one which relates to the Community and gives it a chance of the future.

(Applause)

Mr Price (ED). — Mr President, Parliament is being asked to adopt some radical amendments to the 1982 supplementary budget. Before taking this course I believe we should follow through an analysis of what is likely to happen if these amendments are passed. I believe that such an analysis will produce a grave warning which Parliament should heed. Parliament seeks to be the irresistible force which will take the Community forward. It must recognize that on the issues contained in the supplementary budget the Council is an immovable object. Between the irresistible force and the immovable object will be squeezed the interests of the United Kingdom and the wider interests of the Community.

Let me take as an analogy the Regional and Social Funds. We know perfectly well that most Member States use the bulk of the money which they receive for national spending. There is therefore a lack of additionality and these Community funds will continue to fail to achieve the convergence of the European economies until this situation is remedied. Yet year by year we press for an expansion of these funds against a Council of Ministers which seeks to restrict them. We make our objections to the lack of additionality but we do not let it deter us from pressing for larger funds. Indeed, we express satisfaction at the increase which we have been able to obtain in the 1983 budget for the Social Fund. The reason why we do not seek to deprive these funds of resources until problems of additionality are sorted out is that we recognize that there are certain Member States in the Council who benefit very little from these funds and who would use the opportunity to hold up progress entirely. The funds would be squeezed between the irresistible force of Parliament and the immovable object of Council. The result would be no more money and no more additionality.

If we recognize this problem in relation to these major Community funds, we must recognize that it exists also in respect of the British measures. If we want a budget that seeks to achieve Community objectives of convergence and equity, it will not be obtained by strengthening the hand of those members of Council who are fundamentally opposed to putting our objectives into practice. It is the United Kingdom which has consistently supported in the Council of Ministers the concept of a long term financial mechanism. I challenge the supporters of these amendments to name a single other country which has adopted that position in line with Parliament's view. It is the United Kingdom which has consistently supported the development of other Community policies such as the Regional and Social Funds. It would be absurd to penalize Parliament's only consistent allies in the Council of Ministers on both these questions.

Mr President, if Parliament supports the amendments proposed by the Committee on Budgets, I believe that it is not only the United Kingdom which may suf-

Price

fer grievous injury, but the interests of the Community as a whole.

Mr Baillot (COM). — (FR) Mr President, we are now entering the last straight leading up to the vote on the budget for the financial year 1983. Throughout the procedure we have acted in a responsible and constructive spirit and, animated by the same spirit, we shall reaffirm our refusal to be dragged into any form of budgetary conflict with the Council, which would be both derisory and incomprehensible to public opinion.

What are our observations on the decisions taken by the Council? We approve its decisions to reject the creation of an Agricultural Reserve Fund endowed with the surplus of farm expenditure during the financial year 1982, just as we reject the transfer of those appropriations to the ERDF. We clearly explained our position on this subject on first reading when we highlighted the danger of such a policy, the evident aim of which is to strengthen the budgetary powers of Parliament by extending them to agricultural expenditure.

That is the aim also of the working document now before the Committee on Budgets which seeks to revise Article 203 of the Treaty; that revision would lead to the abandonment of the distinction between compulsory and non-compulsory expenditure involving the control of agricultural expenditure as a means of reducing it, with all the consequences that would have for the existence of tens of thousands of farm holdings at the very time when the level of unemployment in Europe is rising dangerously.

Still on the subject of the CAP, we regret the Council's decision to cancel the increase of 53 million ECU which we obtained on first reading for fruit and vegetables.

By agreeing to an increasing in the appropriations in the social sector the Council has taken a step in the direction which we and Parliament as a whole advocated. We note its desire to avoid the dispersion of appropriations and to give priority to measures to control unemployment among young people. But in our opinion these good intentions will prove ineffectual unless the criteria for the allocation and utilization of these appropriations are redefined.

Finally, as regards the 1983 budget, we deplore the Council's decision on food aid devoted to measures against world hunger. That hunger is a serious fact of life which nobody can deny and our Parliament has entered into commitments in an attempt to remedy it; that is why the only amendments which we have tabled for the second reading of the budget are designed to ensure respect for our commitments.

I turn now to the supplementary and amending budget for 1982 which is designed primarily to limit the British contribution to the Community budget.

Let us make no bones about it: we are not satisfied with the decision taken by the Council.

This really is an ironic decision. The United Kingdom, which is pursuing a vigorous vendetta against the common agricultural policy, is to receive, in the form of subsidies, the monies saved in 1982 on the EAGGF budget when the cyclical position was exceptionally favourable for a short time.

Moreover, the Council's decision does nothing to solve the underlying problems. We have no guarantee that the surplus appropriations received by the United Kingdom in 1980 and 1981 will be refunded to the Community budget.

Not only has the Council given no commitment to abolish this aid to the United Kingdom in 1983; it has also once again disregarded the principle of financial solidarity by granting a refund to the Federal Republic of Germany. We are not afraid to point out that the clever idea of setting up a special energy development programme of which the FRG will be the only beneficiary, and outside the context of the common energy policy at that, is in reality designed to place on a permanent footing the policy of the 'fair return', the principle of which was successfully imposed by the United Kingdom with the conclusion of the agreement of 30 May 1980.

We were opposed to the agreement of 30 May. We said so and we voted accordingly. Since that time we have logically refused the appropriations granted to the United Kingdom. Today when we propose that the reduction of the British contribution by 850 million ECU should be financed by using the 1 031 million ECU which were overpaid to that country in 1980 and 1981, we feel that we are showing a genuine Community spirit. As to the savings made in the EAGGF budget in 1982, we consider that they could have been properly used for the implementation of structural policies which are essential to the development of the Community instead of for refunds to the Member States.

In conclusions we are pleased to note that a majority of Members of this House are in favour of ensuring respect for the Community policy enshrined in the Treaties by calling for an end to be put to a situation which has lasted for far too long and must not be perpetuated for the benefit of certain Member States.

Mr Louwes (L). — (NL) Mr President, I would like to make a brief statement on my group's position regarding the draft supplementary and amending budget for the financial year 1982.

To begin with, I would like to pay tribute to our rapporteur, Mrs Barbarella, on her intelligent and constructive suggestions which have been quite rightly adopted by the Committee on Budgets. This apart, Mr

Louwes

President, my group feels the proposals under consideration to be an abomination, for we consider them to be diametrically opposed to the nature and objectives of the Community budget exercise.

A solution to the British budgetary problem cannot, in our opinion, take the form of the proposals now before us. If I may, I should like to repeat a quotation from Schiller, which was voiced a few weeks ago by my colleague, Mr Nord, during a meeting of the Committee on Budgets: 'The curse of an evil deed is that it inexorably begets further evil'. While it is not my intention to expound in rhetorical terms, I wish nevertheless to dissociate myself in the clearest of terms from Mr Balfour's emotional intervention. As we say, 'a bird is known by its note, and man by his talk', but the tenure of his appeal is not calculated to convince us of the soundness of his arguments, at least not my group.

I had intended to appeal to the colleagues on my right to emulate the Committee on budgets in maintaining the financial infrastructure of the Community. But, given the strident, brutal, almost wild tone adopted by Mr Balfour, I have decided it would be as well to drop it. It's a pity.

Mr President, what is at the heart of the British problem? The cry 'I want my money back' is pure demagoguery. Since when can the cashier maintain that the money with which he is entrusted is actually his? No more than 10% of that sum belongs to him, and we know all too well that such a percentage is no more than an approximation.

Mr President, I believe that the real cloven hoof was revealed earlier this morning in Commissioner Tugendhat's speech when he dismissed Parliament's request for an institutionalized settlement system as unrealistic. According to him, while such a mechanism would help the 'really less prosperous Member States' (sic), it would not alleviate the 'British deficit' which is not the result of a low GNP but rather of the workings of the common agricultural policy. Thus we began our debate on this particular aspect this morning. After Commission Tugendhat, Mr Arndt endlessly drove home the same point. I would have thought that everyone in this House had realized by now just how little in common agricultural policy costs, in terms of our GNP. I would like to remind my British colleagues that Britain had, in 1973, on the eve of their accession to the Community, an agricultural policy which cost their taxpayers 300 million pounds sterling annually. Thus 300 million pounds sterling in direct payments by UK taxpayers. That was ten years ago, and you don't have to tell me how much that would represent in 1983 pounds. It would be a sum vastly superior to Britain's current contribution, the reimbursement arrangements for which have come under such concerted fire. All of this was known fully back in 1973 and subsequently renegotiated and ratified by UK governments and citizens alike. Why then, after a

period of ten years membership of the Community, during which the UK as a whole, and most certainly its industry, has had substantial benefits, must the Community be confronted once again with this one-sided tyrannical view of things?

Mr President, my group will not go along with this. We intend to support the recommendations of the Committee on Budgets and we look forward to the problems under discussion being resolved in an institutionalized Community framework.

Mr Ansquer (DEP). — (FR) Mr President, ladies and gentlemen, we are being asked to indicate our position both on the draft general budget for 1983 and on the draft supplementary and amending budget for 1982.

As regards the general budget for 1983, the choices are simple: the Assembly will have to adopt a budget in conformity with its guidelines and priorities — the fight against unemployment and world hunger — but within the limits of its action i.e. without going beyond its margin for manoeuvre and in a spirit of respect for the economic constraints imposed upon us by the present situation. In other words, we are seeking a balance between what is desirable and what is possible; this balance can be attained by confirming the recent decisions of the Committee on Budgets and the proposals made by the rapporteur, Mr Jackson.

Admittedly the Council has decided on an overall increase in non-compulsory expenditure of 300 million ECU in payments and 400 million ECU in commitments. That is a significant effort which takes account of the guidelines laid down by Parliament, especially as 80% of this additional endowment is the amount for the Social Fund and Regional Fund. However, we are unable to accept the decisions of the Council concerning certain major sectors such as development cooperation, energy and research. We therefore call upon the Assembly to vote in favour of the amendments tabled by the Committee on Budgets which, within the margin for manoeuvre available to the European Parliament, provide additional resources to combat world hunger and increase the budget for energy, research and transport. I would stress in particular the importance of the additional credits for energy and research. Without these appropriations major projects for the future, such as the Super-Sara project, would be definitively jeopardized and the Community would be unable to attain any appreciable improvement in competitiveness in relation to its industrialized partners in the areas of technology, applied research and innovation, which, as you know, have a not insignificant impact on employment.

I would also ask you to confirm the resolution adopted by Parliament to make 1983 the year of the small and medium-sized undertaking and craft trades and to adopt the appropriation of 750 000 ECU to finance this action in each of our countries.

Ansquer

On the other hand we are firmly opposed to the draft supplementary and amending budget submitted by the Council, which, under the pretext of new Community actions, provides net refunds of 1 000 million ECU to the United Kingdom and a special contribution of 210 million ECU for the benefit of the Federal Republic of Germany. This is a serious decision which entrenches the institutionalization of the system of the 'fair return' which we have always opposed. The refund to the United Kingdom, which was supposed to benefit only from limited and temporary aid, is tending to become a permanent feature. The system is even being extended to other Member States. This is tantamount to a redefinition of the nature of the Community, which is liable to become no more than a mechanism for financial equalization between the Member States. We have no artificial quarrel with the British. I listened to the emotional appeal by Mr Balfour and I understand the reasons for which the representatives of the United Kingdom are continuing to fight to obtain Community aid. But the British, who, better than anyone else, understand and respect the rules of clubs, should also accept the rules of the Club of Ten which are laid down in the Treaties. Up to now majority in the European Parliament had accepted this contribution to the United Kingdom almost unreservedly. In the Committee on Budgets a new majority has emerged, seeking to put an end to the present arrangements and avoid the perpetuation of this aid and the disintegration of the Community spirit. I hope that the plenary Assembly will follow the Committee on Budgets and show clearly to the Council that the European Parliament, by its vote, wishes to safeguard the development of the Community and establish it on the basis of respect for the Treaties. Ladies and gentlemen, that can be the only basis for the sound future and success of Europe.

Mr Pannella (CDI). — (FR) Mr President, in the presence of a small audience of colleagues who are half asleep, we are as usual directing criticism at the Council. That is how our Parliament proves that it is alive and kicking and gives expression to its European and political specificity. The Council is not even a statue like that of the commander in Don Giovanni because we all know that its members will never come down from their pedestal. We are speaking kind words to the Commission and fooling ourselves that we can provide an alternative solution. We have two budgets, and each and every one of us has his own arguments deriving from the specific positions which we are obliged to defend.

I agree with Mrs Ansquer and share his views. The reasoning of our colleague, Mr Balfour, is certainly sincere and some of his points were valid. But in reality the Council is by its very nature an anti-Community institution. We have a constant loss of ground in a situation where — economically, morally, industrially and from any other point of view — we are permanently endangering Europe.

I intend to table a motion for a resolution seeking the outright rejection of the budget. One has to be logical in politics. One cannot simply go on complaining year after year. I heard our excellent colleague, Mr Lange, say: 'You in the Council say that this is the last time, but you are not prepared to write that down'. He was quite right. If Mr Spinelli had spoken, he would have reminded us — and he too would have been quite right — that in reality the problem is due to the behaviour of the Commission which betrays the Treaties and agrees to formal discussions in an attempt to arbitrate between the Council and Parliament. It is refraining from taking the initiatives implied by its role as guardian of the Treaties. It is obliging us to discuss almost nothing. The major questions now under discussion include that of the 'unfair return', based on arguments which we find it rather difficult to understand. Today we learned of the totally unacceptable and deplorable attitude of the Council to the Super-Sara project. On the previous Tuesday, in the context of the Lomé Conventions, the Council showed an ignoble position — I repeat ignoble, towards the ACP in a matter of the rights of migrant workers and students.

That being so, a budget and a set of figures are one way of quantifying defeat. In your respective home countries you vote in favour of military budgets and war budgets, budgets of cultural, moral and civil defeat; how then do you think you are going to get the Commission and the Council to listen to you? I think that we should stop crying and complaining all year round. A Parliament worthy of its salt would pass votes which carry some conviction and correspond to its principles.

Rejection of the budget will, I hope, signify our point of encounter with the new Parliament and the new Community which we must design by 1984; that is perhaps the only thing to which we can bend our efforts. I think that the rest, Mr President, is not worthwhile and the effort is not worth making. We are no more than a shadow of the Council and the Commission.

Mr Pesmazoglou (NI). — (GR) Mr President, I wish to commend the Committee on Budgets for the serious work it has put in, and also the chairman of the committee, Mr Lange, and Mr Jackson and the other rapporteurs for their introductions. However, this work has taken place in an unacceptable framework, given that the Council of Ministers as an institution does not operate on the basis of a Community spirit and with its only guiding criterion the best interest of the Community — which in the final analysis is also the best interest of our peoples.

Mr President, I want to comment on three very specific points. Firstly, concerning the fact that the budget seems aimed at tackling unemployment. I agree with Mr Jackson that the increase of around 50% in the budget of the Social Fund is not insignificant. How-

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ever, we shall not be able to overcome the problem of unemployment without a Community policy on growth. In the absence of such a policy we shall be unable to deal effectively with unemployment and inflation, and the budget for 1983 is not designed to eradicate the causes of these two problems by promoting growth.

My second comment concerns the inadequacy, virtually the complete absence, of appropriations for initiating a Mediterranean policy, and this despite the clear acknowledgement by the European Community and Parliament that if pursued such a policy could be instrumental in providing a boost for the whole of Europe.

Thirdly, Mr President, I note that the report makes no mention of the need for change in the allocation of our own resources or of the need for reform of the whole budgetary procedure, and this is a defect. Quite some time ago Parliament approved a proposal by our colleague, Mr Altiero Spinelli, calling for overall budgetary reform to enable us to tackle the problem of our own resources and the set limit of 1% of value-added tax. Perhaps the key to overcoming problems such as that involving Britain (even though, as Mr Thorn very rightly told one of our previous plenary sittings, this is marked by certain peculiarities) lies in there also being new policies designed to tackle problems which are of concern to the remainder of the Countries. I contend that by restructuring the budget we would have been able to overcome many of the problems which continue to exist in the European Community today.

Mr President, I think that the budget is gravely deficient and that the Council bears a very heavy responsibility because it has failed to respond to the aspirations and problems of the peoples of Europe.

Mrs Castle (S). — Mr President, in my four minutes, I want to speak about the United Kingdom rebate. And I am not speaking for the Socialist group. I am speaking for my country's rights, just as anyone else of you in this room would do if you were in the position that the United Kingdom is. And I use the word 'rights' advisedly because this regulation under debate would not be in front of us today if we were not talking about money that ought not to have been paid in the first place.

Now everybody knew when Britain joined the European Community that the financial arrangements would be to our detriment. But nobody, certainly in Britain, had any idea that they would be so damaging as to make us the largest net contributor in the whole of the European Community. The people of Britain would certainly not have voted for entry if they had thought that that was going to be the situation. We were promised at the time — oh yes, we were told, don't worry, all the things that are leading to these

difficulties like the excessive expenditure on the common agricultural policy — all these things are going to be reformed. And if they were not then you can rest assured, the Community would never tolerate an unacceptable situation for a Member State. So when you are talking about this rebate today, you are not talking about charity. You are talking about something that was built into the terms on which Britain joined the European Community.

What is at stake here today is one simple issue. That is that some of you want to punish Britain for the fact that the Community has failed to reform itself. That is what it means, because that is what the Barbarella report and the Committee on Budgets' amendments mean. Mr Tugendhat has made it absolutely clear, they drive a coach and horse through the carefully contrived agreement to reach the rebate figure for the present year. Of course I share Mrs Barbarella's anger that a final solution has not yet been reached. But you know, let us be honest, we cannot just blame the Council of Ministers. Any permanent solution on a fair basis would have to be based on two elements. The first would be that contributions should be linked to national ability to pay. That was what was in the Lange resolution calling for financial equalization way back in 1979. Equalization by relating contributions to GDP per capita. It is our fault that that has not been reached. The second element would have to be the restructuring of the existing budget, not some new expanded one but the existing budget, so as to spend less on the common agricultural policy and more on the policies that benefit all of us.

Has this Parliament got its hands clean over that reform? Has it not dragged its feet all along the line on one of the essential elements of a permanent solution that would be acceptable. Nor can the Commission always come along in a white robe. It has been known to have its moments of political cowardice. So the political will for the reform is lacking in all the institutions, I have say to you advisedly — you don't get over that by slapping specially onerous and selective conditions on one member country of the Community when it receives what is owed to it. That is a simple fact.

Now of course I have no time for Mrs Thatcher's monetarism. Of course it is true that this money will not be spent additionally, any more than I think it is in other Member States. It is absolutely true that Mrs Thatcher will not spend a penny of this on any item of regional policy or public works on which she had not already intended to spend it in the first place. But whatever rules you may apply at this moment you will not force her to do that. We tried in our Socialist amendment in 1980 and it did not work. So what I say is, let us all be honest with ourselves, realize that the fundamental solution is not being fought for by anybody and that it is intolerable that one Member State should be penalized for the collective cowardice of you all.

Mr Notenboom (PPE). — (NL) Mr President, the House can expect a visit from representatives of the Council of Ministers within the next few days, with the object of ascertaining Parliament's intentions regarding the supplementary budget; of finding out what exactly is going on. A number of Member State representatives have approached me, as a member of the Committee on Budgets, with such a question, and I must say that I am frankly baffled, given that Parliament operates in the full glare of publicity. Every nuance, every internal difference of opinion is there for all to see. I need only mention the presence in the House of members of the public and journalists. The strategy of the Committee on Budgets has been elaborated from the outset in the public limelight as well as in the esteemed presence of a Council representative. None of our proceedings are secret; we are an open book and access is available to all and sundry. I say this because I am intrigued by the Council's inquiry as to our intentions on the matter of the supplementary budget.

The Council's deliberations however are a far cry from those of Parliament, and it would be as well to realize this. In the matter of the supplementary budget for 1982 the Council of Finance Ministers was a willing tool — let me put that somewhat less brutally — was simply a rubber stamp, on the lines of the Commission, on a decision taken behind closed doors by the heads of State or Government of ten countries. In all secrecy, and we shall never know about the intrigues involved. A budget compromise thus worked out in such secrecy is subsequently presented to Members of this House directly elected by universal suffrage by the citizens of the Community for approval by us, as joint budgetary authority. Can we seriously be expected, in the light of the foregoing, to rubber stamp every aspect of this transfer of resources — which is essentially what this draft supplementary budget really amounts to?

Were we to do so, Mr President of the Council, we would indeed be failing in our task!

Be assured, Mr Balfour, the Committee on Budgets, as I have already said on a number of occasions, is leaving the overall amounts intact. Proceeding from the maintenance of both the amounts involved and the beneficiary Member States, we have endeavoured to transform them in such a way as to conform to the norms of a Community instrument. That is essentially the task which the Committee on Budgets has fulfilled and which will, hopefully, be approved by the House and ultimately presented to the Council, in the hope that the latter institution will take this House seriously as a joint budgetary authority and as such negotiate seriously with us, rather than rejecting our proposals two days hence. We are not seeking a 100% approval for our recommendations from the Council — indeed such unanimity is not a feature of any national parliamentary procedure — but a substantial part of them could be adopted. Mr Balfour, would that really be so

difficult to explain and justify to the voters of your district, to your friends and those of Mrs Castle? Surely if they can be instructed in the art of appreciating the definition of the word 'Community' and of the objectives it has set out to achieve, it must then be possible for the citizens of your country to comprehend that, instead of stark figures, the objective is that of achieving a greater degree of Community policy without touching either the amounts or the beneficiaries involved? Parliament is asking no more than this, and I trust that the Council will cooperate — and I appreciate that you, Mr Møller, have given of your best as President during these past six months — in achieving unanimity on this matter too, rather than throwing out our supplementary budget recommendations two days from now.

(Applause)

Sir James Scott-Hopkins (ED). — Mr President, this has not been a very happy debate. Indeed, it has been a very bad-tempered one. Most of the honourable Members who have spoken have concentrated on one area of the debate and one area only, and that is the supplementary budget for 1982. I myself would like to say just one or two words about it. Other speakers have said everything that there is to be said, and I must say straight away that I agree with what my honourable friend, Mr Balfour, said when he was speaking on behalf of my group.

I find it very hard to believe that Mrs Barbarella's report is done in good faith, or indeed that most of the speeches that have been made are in good faith either. What we are told is that we have got to go along with her because the Council won't take decisions. And because the Council won't take decisions, this Parliament has got to exercise its right on constitutional grounds — that is what Mr Lange said — to force the Council to come to conclusions. What she really wants to do, and what she is really doing, is using every opportunity she can — and in this she is being joined by colleagues of all political persuasions, but not by Mrs Castle — to belabour the United Kingdom for wrongs imagined or real over the past years. The net result of this is not going to be that the Council is going to give in. The net result will be that Mrs Barbarella's report is going to do the work of those countries, such as France, that did not want any repayments made to the United Kingdom, though it is the largest contributor, as Mrs Castle has said, to Community funds as well as being one of the less rich countries of the Community. So the United Kingdom is being penalized, and I think that honourable Members of this House of all parties are perhaps using it as an opportunity to get their own back over imagined wrongs done to them over the past years since the UK has been a member.

I have been in this House now for 10 years and I have heard and seen all sorts of difficulties. I believe that we

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in this House have a duty to try to build for the future. What are we doing now if we do adopt these amendments? They are quite unacceptable to the Council, and Mrs Barbarella, Mr Lange and all the honourable Members know this full well. If we pass these amendments giving only 50% to the United Kingdom, then the result will be disastrous. I want to be able, as my friend Mr Balfour has said, to tell my constituents that it is worthwhile being a member of this Community, and I want to keep my country in the Community. Mrs Barbarella and her friends are doing everything to make that impossible.

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

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

2. Question Time

President. — The next item is the first part of Question Time.

We shall begin with questions to the Commission (1-1000/82).

Question No 1 by Mr Seligman (H-797/81):

Will the Commission detail to Parliament the action it has taken on the motion for a resolution contained in the report by Mr Turcat on European space policy?¹

Mr Davignon, Vice-President of the Commission. — (FR) Following this resolution, the Commission set to work and we thought first of all that we needed external aid, since we had no experts in this area, especially as the expertise in question was in the area of science and industry. As always, by reason of our particularly tight budget, it was difficult for us to recruit the experts. That is why I am speaking of them now since we are discussing the budget. To the extent that only limited appropriations are made available to the Commission to carry out studies, it is difficult for it to engage in new activities.

After a rather slow start we shall now include the space-technology-industry-aspect in the outline programme for research and development applicable for

1984 and subsequent years: we shall be adopting that programme this year and submitting it to the Council and Parliament early next year.

We have of course maintained the closest possible contacts with the Space Agency and with Eurospace, a grouping of industrialists involved in space problems. The study which we have carried out proves the need for close attention to the problems if we are not to lose an opportunity of growth for European industry.

Mr Seligman (ED). — I think the people involved in satellite communications will be very reassured that the Commissioner has a programme in preparation and I am very pleased with that answer.

The Commissioner has said that shortage of both staff and money are the main difficulties. Are there any other difficulties that have to be overcome before we can establish a single EEC operation in the satellite television and communications area, because I feel that there is a great danger that the whole thing is going to fall apart unless we come in with our Community policy?

Mr Davignon. — (FR) The honourable Member is well aware that the old policy must have failed if we are to convince the Council of the desirability of setting up a new policy. This means that it is particularly difficult to create the conditions for renewal at that stage, because we are setting out from failure instead of success.

To gain a precise idea of the difficulties, which are no doubt considerable because the Member States do not give the impression of wishing to coordinate their activities in a single framework, we are proposing to contact Professor Grugin, the chairman of the National Space Research Centre, and Sir Henry Bondi, both of whom are special advisors to the Commission. But although hopes do not always prove justified, some governments find it difficult to change their present strategy before the situation becomes still more difficult. That is why we shall be trying to play our own modest part. Anything more than that would be bound to fail.

Sir Peter Vanneck (ED). — I would like to enlarge the horizons over which the Commissioner is looking to ask whether there is any chance for ACP or developing nations to take part in projected programmes and whether under the Lomé Convention space on a satellite could be offered to developing countries. I realize that they may not at this stage have effective payloads to put up, but I think that it would be a great gesture from the European Community if in our space programme we were able to offer some participation, however small, to those people in the Third World for whom we purport to have such consideration in so many other ways.

¹ Doc. 1-326/81

Mr Davignon. — (FR) According to our analysis in the area of interest to us involving the use of satellites we must reflect, in the context of the policy defined in the Lomé Convention, on the type of new cooperation which we can establish with the developing countries. That is the intention of my colleague, Mr Pisani, and that is why we shall see that the outline programme on research contains very special elements relating to the association of countries with which we maintain special links in the area of research.

Unfortunately, we are constantly reverting to the same question, namely, the budgetary problem which we must take into account since the existing programmes under Lomé II do not enable us to undertake action of this type. We shall therefore have to make proposals, but we shall run up against the budgetary limitations and we shall need to decide once and for all whether the Community can undertake new actions and whether, in undertaking them, it will accept their full consequences. New actions are expensive, and there can be no new actions in an area such as that of technology without appropriate investments. That holds good for us just as it holds good for our partners.

President. — Question No 2, by Mr Galland, is postponed to the next part-session.

Question No 3, by Mr Davern (H-412/82):

Is the Commission aware that only 15% of farmers in the County Kerry region of Ireland are generating a satisfactory income level, that 65% are not generating sufficient income to reach viability and that a further 12% are borderline cases and that such an intolerable situation is totally contrary to the aims of the Treaty and that the Community should take immediate steps to improve the incomes situation for all farmers?

Mr Tugendhat, Vice-President of the Commission. — The Commission is aware of the income difficulties that farmers are experiencing in certain regions of the Community, such as County Kerry. The Commission believes that the only means of bringing farmers' incomes in the area up to more satisfactory levels is long-term action to improve both agricultural structures and the general economic climate. Accordingly it has organized a number of specific schemes, to help regions which should have a positive impact on the conditions under which farming is carried out in the less-favoured areas, and therefore on farmers' incomes in County Kerry.

Mr Davern (DEP). — Could the Commissioner be more specific about what the Commission does intend to do for this particular area of the country? Does the Commissioner not think that to declare the area a totally disadvantaged area, with the immediate help and grants this would make available to it, and also to

provide some form of cheaper interest rates from Commission sources might be a better system of helping these poorer farmers to immediately improve their income?

Mr Tugendhat. — The whole of County Kerry falls within the Community list of less-favoured areas within the meaning of Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas. In these circumstances all farmers in the county may benefit from the payment of the compensatory allowances granted to assist farming in this area. However, following an arbitrary decision taken by the Irish Government, farmers in the north of the county are granted this allowance only for cattle produced mainly for beef purposes although the majority of farmers in the area are milk producers. North Kerry, I understand, is regarded in Dublin as being less physically handicapped than the remainder of the county. But I think that the means of providing more assistance to the people of Kerry already exist and are not perhaps being taken full account of or are not perhaps being fully utilized by the authorities in Dublin at the moment. I recognize that today perhaps is a day when there is a slight interregnum in Irish affairs.

President. — Question No 4, by Mr Maher, is postponed to the next part-session.

Question No 5, by Mr Lalor (H-429/82):

Is the Commission aware that the Irish Sea is now believed to contain the highest concentration of radioactive discharges of any of similar size in the world and what responsibility does it accept for this situation in view of the standards under the Euratom Treaty?

Mr Narjes, Member of the Commission. — (DE) I assume that the honourable Member's question can be traced back to a number of reports in the British and Irish press early this year. Chapter III of the Euratom Treaty requires the Member States to monitor the radioactive content of the air, water and soil and to ensure that the basic standards are observed.

As I said in reply to a similar question by Mr Patterson in April of this year, the Commission has no reason to assume that the United Kingdom is not honouring its obligations under the Council directive of 15 July 1980 concerning basic standards for the protection of health against the dangers of ionizing radiation. The fear that the public are being exposed to radiation in excess of the permissible doses is therefore unfounded.

Mr Lalor (DEP). — I want to thank the Commissioner for his reply but I would like to ask him, arising from it, if it is not the case that the Commission have

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been a little over-complacent in considering this matter and is he telling me today that no research or no further enquiries have been made by the Commission as to radioactive discharges into the Irish Sea? Has nothing further been done by the Commission to investigate this charge since their reply that the Commissioner has just referred to?

Mr Narjes. — (DE) If I understand the honourable Member correctly, his questions are a reference to actual cases. If this is so, I would appreciate further details. The information available to us in no way justifies the assumption that the United Kingdom is in some way failing to honour its monitoring obligations.

President. — Question No 6, by Mr Lagakos (H-441/82):

As Commission figures show (supplementary and amending preliminary draft budget No 1-1982 — Administrative Appropriations), disproportionately fewer A1, A2, A3, A4, A5 and A6 posts are allocated to Greeks than to nationals of other Member States.

Can the Commission state what methods and criteria are employed in allocating the above-mentioned posts according to nationality and subject area and what is its policy for recruiting Greek officials for the Joint Research Centre, given that out of a total staff of 2 219 there is only one official of Greek nationality?

Mr Burke, Member of the Commission. — The fundamental criteria relating to recruitment by the Commission are defined in Article 27 and subsequent articles of the Staff Regulations. These provide that recruitment should be directed towards, and I quote: 'Securing for the Institution the services of officials of the highest standard of ability, efficiency and integrity, recruited on the broadest possible basis from among nationals of the Member States of the Community'.

Recruitment for Grade A posts involves essentially recruitment at the basic A6 and A7 level. This is done by way of open competition and in this respect, candidates are required to be within certain age limits, to hold university degrees and to have in general at least two years' professional experience. Given their neutrality, these recruitment methods tend towards the realization of an overall geographical balance.

With reference to the recruitment of Greek officials, the honourable Member should note that as a consequence of Council Regulation No 662, specific recruitment of Greek nationals is currently in progress.

With regard to the Joint Research Centre, it should be noted that no supplementary posts reserved for Greek nationals have been attributed to it. Consequently, the

only openings there are those which result from the normal turnover of personnel, which openings would, of course, be conditioned by the specific needs of the various programmes being run there. Announcements relating to the establishment of recruitment reserves in the research area are made in all ten Member States.

Mr Lagakos (S). — (GR) I thank the Commissioner for his reply to my question. It gives an accurate and detailed description of the procedure for hiring staff. I must observe, however, that it avoids the core of the matter and its true ramifications. He makes no mention of the criteria and methods employed in recruiting Greek nationals to high-level — such as A2 and A3 — posts. Mr President, I must point out that public opinion in Greece has become very sensitive of late, due, in particular, to Greek press reports, littered with scraps of information from Community circles, which claim that the Commission is systematically ignoring nominations made by the Greek Government and is allocating A2 and A3 posts only to persons of one particular political persuasion. I would therefore request the Commissioner to give a more specific reply to my question on the basis of what I have just told him.

Mr Burke. — In answering the question, I referred to the Staff Regulations, in particular, Articles 27 and following which lay down the basic rules by which staff are recruited. In respect to the higher posts to which the honourable Member makes reference, I can assure him — and I do so in the light not only of my personnel administration but also my responsibilities under the Greek Memorandum — that the Commission takes into account, as far as is consonant with its independence and the procedures under which it recruits members of staff, the legitimate interest of the Greek Government in these matters. I can assure the honourable Member that this has been done and that the hiring and recruitment of Greek officials of all levels is very well advanced now. In fact, at one level, there is only one country — that is France — which has a higher number of officials than has Greece.

Mr Papaefstratiou (PPE). — (GR) While we do, of course, take full note of the Commissioner's assurance we would appreciate a clearer indication as to whether the deadlines for filling the Greek posts, which were due to expire at the end of 1982, have in fact been extended, because it would be tragic if the deadlines pass and these posts for Greek staff are lost as a result of dilatoriness on the part of the Commission.

Mr Burke. — I can assure the honourable Member that the deadlines will be respected and that the posts which have to be filled by a certain date will in all reasonable expectation be filled in time.

President. — Question No 7, by Lord Douro (H-446/82):

In view of the large part of the worldwide duty-free market held by manufactured goods from the EEC, is the Commission not concerned that the new regulations concerning duty to be charged on third country products sold in duty-free shops could produce retaliatory action by other countries or groups of countries which would be very damaging to EEC manufacturers?

Mr Tugendhat, Vice-President of the Commission. — There is no intention of imposing customs duties and agricultural levies on all products from third countries sold in duty-free shops. These charges will be imposed only on the sale of such products to travellers who are not leaving the Community but moving from one Member State to another. This is in accordance with the principles of the customs union and in line — and I must emphasize this point — with the ruling of the European Court of Justice.

Lord Douro (ED). — Although, of course, ideally there should not be any duty-free shops for travel within the Community, is the Commission not aware of the enormous unpopularity of any restriction on this very small perk currently enjoyed by travellers within the Community? Is the Commission also not aware of the considerable resentment which, I understand, has been aroused both in the United States and in Sweden in particular by these new restrictions recently imposed by the Commission on goods sold in duty-free shops.

Mr Tugendhat. — The Commission is well aware of the point that the honourable gentleman makes about the degree of public support for the duty-free shops, but I would make two points.

The first is that the restriction which I have just mentioned has been imposed in response to a ruling of the European Court of Justice. I know of no responsible body in the duty-free trade which would deny that the Commission is right in seeking to implement the rulings of the European Court and I am quite sure that the honourable Members in this House would not suggest that the Commission should fail to implement the rulings of the European Court. There is, I think, a tendency on the part of some sectors of the trade to try to create an impression that the Commission itself has undertaken certain actions, and that is why I hope very much that I can rely on Members of Parliament to support the Commission in its duty to implement the rulings of the Court.

I am not aware of strong feelings in the United States or Sweden or indeed anywhere else for that matter. Many members of the trade within the Community have been telling me of the existence of these strong

feelings, but I have to say that no representations have been received, by me at any rate, from either of the sources that the honourable Member draws attention to.

Mr Rogalla (S). — (DE) Did I understand the Vice-President to say that the Commission would continue to do its utmost to ensure that the judgment of the European Court of Justice is implemented in an appropriate manner, within an appropriate period and with due account taken of any parallel peculiarities that exist in certain regions of the Community? Does it draw conclusions from this regarding tax limits and tax-free amounts which citizens in the Community are allowed? Is it, in other words, still trying to abolish these tax limits or to reduce them at regular intervals and to win the Council's support for its efforts in this respect?

Mr Tugendhat. — I have nothing to add to my reply.

Mr Lomas ((S). — Do the third countries affected include any ACP countries? If they do, I would ask the Commission, or whoever is ultimately responsible, to reconsider. There aren't very many goods from ACP countries in the duty-free shops — Jamaica rum springs to mind — and it would, I think, be a great pity if we hit countries that are already poorly off by imposing this extra duty.

Mr Tugendhat. — It would be a good thing if the attention of the Court were drawn to that point of view.

Mr Marshall (ED). — Would the Vice-President of the Commission accept that within the trade in the United Kingdom, particularly in the gin industry, there is a real fear that there will be retaliation from outside the Community against Community suppliers to the duty-free trade? I think that he may discover that the fear is somewhat greater than he has been led to believe by the Court or by his own officials.

Mr Tugendhat. — I really think that there is a certain misunderstanding here. The Commission, like any other law-abiding body, is obliged to implement the rulings of the Court. Are the honourable gentlemen actually saying that they believe that the Commission should not implement the rulings of the Court? If that is what they mean, would they say so in plain English, or whatever other language they happen to speak? The Commission has done no more and no less than it was obliged to do by the ruling of the Court, and I want to make that point absolutely clear.

Secondly, I have heard a great many people within the duty-free trade claim — and that point of view is now

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being reflected in all quarters of this House — that our following the ruling of the Court is going to lead to counteraction and retribution from third countries. As I replied to Lord Douro, I myself am not aware of such a danger, but I *can* assure, the House that the best way of drumming up enthusiasm for taking such counteraction is by banging on in the way they are doing this afternoon.

President. — As the author is not present, Question No 8 will be answered in writing.¹

Question No 9, by Mrs Scrivener (H-459/82):

The Commission is proposing a five-year action programme to enable young people to receive better vocational training before their first job. Has the Commission made specific provision for the organization of practical training schemes operated in a Member State other than that to which the participants belong, with a view to promoting not only the acquisition of greater technical skills but also the opportunity of mastering a foreign language and developing a sense of European identity?

Mr Richard, Member of the Commission. — The Commission's communication to the Council relating to vocational training policies in the 1980s is aimed primarily at improving the social and vocational preparation of young people for adult life and their integration into the labour market in the period following compulsory schooling, and at the same time intensifying training measures for young persons up to the age of 25 as an integral part of an overall employment and social policy.

The question of providing training and work experience opportunities outside the country of origin is not taken up explicitly in this communication. I can, however, assure the honourable Member the Commission attaches great importance to the development of educational and youth exchanges precisely for the reasons referred to in the question. The Commission has been active in this area since 1964 in the context of the programme of young worker exchanges and that programme is described in some detail in the report produced in June of this year which was noted with approval at the meeting of the Council on 10 December, last Friday. Other initiatives to promote educational exchanges have been taken in the framework of the Community action programme in the field of education and the Commission is currently preparing proposals for a number of supplementary activities, taking account in particular of the parliamentary resolution last year based on the report of Mrs Pruvot.

Mrs Scrivener (L). — (FR) I should like the Commissioner to clarify one point: are there any practical

examples of courses organized in other countries? It seems to me that exchanges of young people with other Community countries are probably the best way of developing the European identity which we all greatly need.

Have there been practical experiments, Commissioner, even if few in number? The important thing is to know whether appropriate methods have been developed. And if so, do you intend to develop them still further since the Commission would in that way be rendering an enormous service to young people?

Mr Richard. — There is some evidence of this taking place, and indeed there are some instances where it is already supported by the Social Fund and by Community money. There is a very good example of a joint training scheme between the Northern Irish and German authorities in the hotel industry, for example. I think there has also been a pilot project on training for young people on the Franco-German border. The real problem we face in the Commission — and I do not merely want to give a litany to the House of the Commission's problems — is that, as the House knows, we are essentially a reactive body in the sense that we respond to applications. If they qualify then of course the Commission deals with them. In the absence of a regular flow of applications in this field it is (frankly) difficult for us to stimulate activity in an individual Member State or, as in this case, joint activity by more than one Member State. I can only say that I entirely agree with the thrust of the question and the emphasis that is being put upon this by the questioner and that within the limits of our resources, provided applications are made, we will do our best to meet them.

Mrs Maij-Weggen (PPE). — (NL) During a recent meeting with the Youth Forum we learned that youth is not exactly satisfied with this action programme. They consider that the real difficulty is not educational — indeed they feel that training possibilities for young people have never been better — but lies rather in the fact that, despite high qualifications, they still cannot find work. What are we to tell these young people, for we know that they are right?

Mr Richard. — I hope that Mrs Maij-Weggen would give them an honest answer and say: no training programme can guarantee anybody a job — it cannot do it. All it can do is enable an individual to be in a better position to take advantage of an opportunity for a job if and when one arises. Of course the youth guarantee for young people is not going to solve the problem of youth unemployment. If anybody thinks that it is, they are mistaken. What it will do on the other hand, as I see it, and indeed as the Commission sees it and I think as the Council of Ministers and the European Council see it, is that it will enable young people to be much better equipped than they are at the moment to

¹ See Annex of 15. 12. 1982.

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take advantage of job opportunities as and when they are offered.

Mr Bonde (CDI). — (DA) Mr President, I should like to ask the Commission representative whether the Commission will present proposals to amend the EEC Treaty in such a way as to make it legal for the Commission to concern itself with education in the Member States.

Mr Richard. — Not at this stage. It will be very interesting for the Commission to see to what extent the position on the Community's competence in education may have changed or have been modified — or perhaps nuanced — as a result of the recent changes of government in certain of our Member States.

President. — As the authors are not present, Questions Nos 10 and 11 will be answered in writing.¹

Question No 12, by Mr Pasmazoglou (H-487/82):

Is the Commission aware that unemployment benefit in Greece is exceptionally low and is payable for an unacceptably short period of time, and what measures does it intend taking to reduce these serious inequalities between the States of the Community?

Mr Richard, Member of the Commission. — The Commission is well aware that there are considerable disparities between the different social security systems in Member States. These differences reflect the distinct social and cultural traditions, as well as the varying economic and demographic conditions pertaining in different parts of the Community. For this reason the responsibility for social security policy and in particular the actual level of benefits should, in the Commission's view, remain essentially in the hands of Member States. At Community level, in addition to the responsibilities which derive directly from Article 51 of the Treaty, intervention is focused on those issues which are recognized as being common to all Member States, such as the question of equal treatment between men and women or the age of retirement. The Commission does not intend to duplicate the work of the International Labour Organization or of the Council of Europe which have both established minimum norms in the area of social security.

Mr Pasmazoglou (NI). — In view of the width of the disparities in the case of Greece, does not the Commission consider that there is a case for some adjustment, or mechanisms of adjustment, which would tend towards reducing the disparities between member countries in the Community?

Mr Richard. — I can see that in the interests of pursuing greater equality and convergence among Member States what the honourable gentleman says makes a great deal of sense. I can only tell him, however, that harmonization is seen as a progressive trend arising from progress in European integration in the application of the rules of the Treaty. That process takes a long time. The Commission, in keeping with Article 118, tries to promote close cooperation between Member States by making studies, delivering opinions, arranging consultations and so on. It is for this reason that emphasis has been placed on the concertation of social security policies, that is to say the discussion or study of common problems and the definition of objectives for the future. With regard to the sort of financial equalization scheme which the honourable gentleman perhaps has in mind, laudable and admirable as his aims might perhaps be, I think the practical possibility of getting such a scheme adopted by the Member States is extremely small and I can see enormous difficulties in the way of implementation.

Mr Papaefstratiou (PPE). — (GR) I confess myself a trifle surprised by the Commissioner's reply. On the one hand he speaks of efforts to promote joint consultation on the various social problems affecting Member States, and particularly on the issue of unemployment which is the most acute problem facing Member States, and on the other hand he says that the harmonization of unemployment benefit policies and of the respective employment programmes in Member States is seen as a very long-term process. Ought not the Commission to speed up its activities towards issuing a directive on the harmonization of employment-related social security policy in the Member States?

Mr Richard. — I am sorry, if I surprised Mr Papaefstratiou. It seems to me that what I said this afternoon is very much in line — at least I hope it is — with what the Commission's position has consistently been on this issue in the past. As far as I know, there is no justification at the moment for us changing that position.

Now the difficulty about harmonization in the field of social security is that you can harmonize principles but you won't be able to harmonize cash. In a sense I detect that the two Members who have put questions to me on this so far are concerned much more about the money than about the harmonization of the principles.

President. — Questions No 13, by Mr Rogalla (H-507/82):

What progress has been made with work on the draft resolution on the relaxation of border controls at internal Community frontiers which the Commission recently submitted to the Council? When is this work likely to be concluded?

¹ See Annex of 15. 12. 1982.

Mr Narjes, Member of the Commission. — (DE) I am grateful to the honourable Member for giving the Commission this opportunity to outline the present state of its efforts to strengthen the internal market by further simplifying frontier formalities.

These efforts were set in motion by the European Council at its meeting in June 1981, when it expressed the view that steps must be taken to strengthen and expand the internal market. The Commission then began work on the relaxation of checks on persons and the application of the Benelux model at Community level. In order not to waste time unnecessarily, it also submitted a proposal for a resolution in October 1981 in connection with the discussion of the implementation of the mandate of 30 May 1980. It proved impossible for this proposal to be adopted and in the meantime it has lost some of its priority, since on 9 July of this year the Commission forwarded to the Council a number of practical proposals which will now enable it to take its own decisions in the matter. These proposals concern, firstly, regulations designed to simplify formalities in the intra-Community movement of goods, the uniform document, secondly, a resolution on the relaxation of controls of persons at the Community's internal frontiers and, thirdly, a directive designed to move the collection of the import turnover tax away from the frontiers.

To stress the urgency of these measures, the Commission adopted a further communication to the Council on problems connected with the internal market on 10 November, referring to the urgency and need to make practical and rapid progress. This paper, along with other factors, led to the decision by the European Council in Copenhagen to instruct the Councils of Ministers to adopt an accelerated procedure to ensure the achievement of the internal market in a number of essential areas by the end of March.

Two things need to be done in this situation: firstly, this House and all the appropriate committees must consider the Commission's proposals quickly so that the time-limit which the Council has set itself and which has been imposed by the European Council is not exceeded because of delays in the European Parliament, and secondly, the Council must take its final decisions on procedure as soon as possible in compliance with the instructions given by the European Council at its meeting in Copenhagen.

Mr Rogalla (S). — (DE) I should like to thank the Commissioner for this answer and also for the written answer to my Question No 892, in which the Commission stated its legal opinion on these matters. This prompts me to ask whether the Commission has informed the Council of this legal view of the free movement of persons based on Community law, and secondly, whether the Commission has any statistics that show which of the seizures to which the Member States constantly refer are made at the internal fron-

tiers and which at the external frontiers, and finally, how the Commissioner assesses the atmosphere in the Council during the discussions on these important questions.

Mr Narjes. — (DE) We shall not, of course, be keeping our legal opinion to ourselves but putting it forward during the Council's deliberations in the form in which it was communicated to the honourable Member. On the second point, it must be said that criminal and other activities are shown in our statistics to only a limited extent and that we depend on the cooperation of the Member States. Thirdly, the atmosphere could be better, if I may put it that way.

Mr Simpson (ED). — The present growth of non-tariff barriers requiring increasing controls at borders within the Community has become a scandal. Does not the Commission consider that non-tariff barriers represent the most serious threat at present to the creation of the common market?

Mr Narjes. — (DE) It shares this view unreservedly.

President. — Question No 14, by Mr Hopper (H-416/82):¹

What is the Commission's opinion about the impact of the development of Stansted airport on the development of regional airports such as Manchester in the United Kingdom, on the Commission's desire to liberalize regulation of inter-regional services and on the Commission's own aspirations to promote regional growth throughout the Community?

Mr Contogeorgis, Member of the Commission. — (GR) The Commission has not carried out any studies into the impact of the development of Stansted airport on the development of various other regional airports such as Manchester. This is a matter for the British Government, and doubtless certain conclusions will emerge from the public hearing being conducted by the civil aviation authority in the United Kingdom. The Social Fund has contributed towards defraying the costs of extending and modernizing a number of regional airports in Great Britain, just as in other countries, because it is believed that they make a contribution to regional growth. Manchester is one such airport. If the Commission's proposal for an easing of the licensing system for new inter-regional air services, which is currently before the Council, is accepted, this will make a further contribution to regional growth. Following the expression of an opinion by the European Parliament, the United Kingdom airports of

¹ Formerly oral question without debate (0-68/82), converted into a question for Question Time.

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Heathrow and Gatwick are not included in the Commission's proposal.

Mr Hopper (ED). — Is the Commission aware that Manchester Airport does not want any subsidies or any privileged position but only the right to compete freely with other airports in the United Kingdom, a right being refused to it by the policy of the British Government and of the British Airport Authority, which seeks to concentrate all development of international airports in the United Kingdom in London? In particular, is the Commission aware — and I am giving a very precise example of discrimination against Manchester — that the landing fee for a Boeing 737 in Manchester is approximately £ 360, which is an economic charge, and that the landing fee for a Boeing 737 at Stansted is approximately £ 80, which is a highly subsidized fee? Will the Commission undertake to look into the pricing policies of the British Airport Authority at Stansted to see if it does not violate the competition law of the European Community?

Mr Contogeorgis. — (GR) The Community played no part in the British Government's decision to develop Stansted airport. It was quite clearly a decision by a national government involving no request for Community assistance. Consequently there exists no case for Community intervention. Concerning differences between the fees payable at Manchester and Stansted airports, the Commission has no knowledge of this, but, nothing what the honourable Member has said, we will inquire into the matter and if Community intervention is called for, this will be set in motion.

Mr Lalor (DEP). — If a choice had to be made between Manchester and Stansted as the location for an international airport, would the Commission accept that Manchester must take precedence because it is ideally situated to serve the north-western region of England, it is an ideal link as an international airport with Ireland, North and South, it is already well appointed and well served by an extremely good road network and it would prevent greater road and general congestion in the Greater London area? For all those reasons, would the Commission not put a little bit of pressure on the UK Government in that matter?

Mr Contogeorgis. — (GR) I repeat what I said previously, that the decision is a matter for the British Government and that the Commission is not empowered to intervene.

Mrs Kellett-Bowman (ED). — I am very glad that the Commissioner is going into the question of the subsidized landing fees, which was raised by my honourable friend, Mr Hopper. However, does he not agree, whether or not he can influence the British Government, that building a third new airport near London

would simply worsen regional imbalances, whereas building it in the North-West, as Mr Lalor said, would do a very great deal for the regional policy of the United Kingdom, which is the regional policy of the Community?

Mr Contogeorgis. — (GR) I have nothing to add to what I have said previously. The decision is a matter for the British Government.

Mr Boyes (S). — Mr Commissioner, I am very pleased with the remarks of my Tory colleagues about the building of Stansted airport, and I hope that they will not stop at idle words in the European Parliament but use their influence to change the opinions of the people from their own party who are determined to build this airport. I have news for them which may please them. When the Labour Party wins the next election, as it surely will do, it will not build Stansted. That is absolutely certain. We will have none of that nonsense whatsoever.

Does the Commissioner not think that the Commission ought to be interested in what is happening at Stansted airport in view of the money being invested in the region? You won't be able to invest fast enough to keep up with the pace of the rise in unemployment if this airport is built by the British Government. Mrs Kellett-Bowman will not have anybody to represent, because the area she represents will be finished completely and so will the area that I represent, the North-East of England.

This is the most ridiculous proposal we have ever come across, and it must be if that lot over there are saying it.

Mr Contogeorgis. — (GR) I wish to reiterate that Community funds are not available for building this airport. I repeat that the decision is a matter for the British Government with no financial contribution by the Community.

Lord Harnmar-Nicholls (ED). — In the draft regulations on inter-regional air services Manchester is in category 2. Will the Commission ensure that it remains in this category at least so as to qualify for draft regulations, and at the same time will the Commissioner use all of his services to underline the fact that 60% of British industry is within 100 miles radius of Manchester? The importance of its freight traffic alone should give Manchester the highest possible priority.

Mr Contogeorgis. — (GR) The Commission has no reason to change its proposal placing Manchester airport in category 2. However, the decision as to whether it will remain in this category finally rests

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with the Council of Ministers which is due to discuss the proposal in question this coming Thursday.

Mrs Ewing (DEP). — The Commission appears to wave its hands in the air in amazement when some of us suggest that there should be a common transport policy and that some logic should be applied. Yet when a Member State proposes an obscenity such as the expenditure on Stansted airport, though those of us from my own country who are prevented from going anywhere, because we have to go through an airport in London which already cannot cope because of the demands on air space

President. — Mrs Ewing, I cannot allow you to make a speech. You must put a question to the Commissioner.

Mrs Ewing (DEP). — Is it not absurd for the Commission to wash its hands of any attempt to impose logic on massive expenditure by Member States when we are beginning to talk about common transport policy? As I come from Scotland where we have got a fog-free airport already under-used, ready for international continental air traffic, the whole business of Stansted is an obscenity that all other countries should condemn before it gets off the ground.

Mr Contogeorgis. — (GR) Unfortunately I must refer you back to what I said previously. I have nothing more to add.

Mr Moorhouse (ED). — The Commissioner informed the House that on this coming Thursday the Council of Transport Ministers will be considering for the third time round, as it happens, the draft regulation on inter-regional air services. May we have his personal assurance that he will put the full weight of his office behind the effort to secure agreement on this very, very important regulation and that he will take extreme care to see that the fine print in the regulation does not restrict the development of air transport within the Community but on the other hand opens up the opportunities for the smaller operations to fly between the inter-regional centres of the Community?

Mr Contogeorgis. — (GR) The Commission believes that its proposal to establish an easier system for the granting of new licences for inter-regional air services makes a real contribution to growth potential in the Member States. Therefore — I assure Mr Moorhouse and Parliament — we shall do everything possible to get the Council of Ministers to endorse the Commission's proposal on this matter at its meeting this coming Thursday. There still exist differences of opinion between member governments, but we will try to bridge these differences so that a decision can be taken on Thursday.

Mrs Clwyd (S). — Madam President, my colleagues have drawn attention to the ridiculous overcentralization policy of the British Government as far as air transport is concerned.

Would the Commissioner agree that good air transport links are a key factor in bringing industrialists into an area and surely it is of concern to the Commission, which claims to be concerned about unemployment, that the regions of Britain are in fact being starved of employment because of poor air links? Surely that is of some concern to the Commission.

Does the Commission know that three months after Britain took part in a referendum on whether it should continue its membership of the European Community, in Wales, where I live, British Airways in fact stopped the flights between Wales and Brussels? Does he not agree that is hardly Community policy?

Mr Contogeorgis. — (GR) The Commission agrees with what the honourable lady has said, and this is why in its regional policy, and specifically through the Regional Fund, it supports the development and modernisation of regional airports in the Community. And likewise, with reference to her suggestion that there should be better inter-regional air links, the Commission has precisely this same aim in mind — namely, the enhancement of inter-regional mobility within the Community.

Mr Curry (ED). — Would the Commissioner be particularly interested in hearing the opinion of the Member who represents Stansted? Would he be particularly interested to know that despite the acute pain this Member feels at being in agreement with Mr Boyes, the people of the region will be delighted that there is no prospect of Community money for Stansted and will be even more delighted to know that there will be no money of any description for the development of Stansted?

President. — Question No 15, by Mr Gontikas (H-134/82):

Is the Commission aware that an inadmissible form of discrimination continues to exist in respect of Greek citizens visiting the UK where passport control is concerned?

Does not the Commission believe that one and a half years is time enough in which to apprise British officialdom that Greece is an official member of the EEC and what measures does the Commission intend to take?

Mr Narjes, Member of the Commission. — (DE) The problem of the conditions governing the entry of Greek citizens into the United Kingdom has for some time been the subject of discussions between the Com-

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mission and the United Kingdom Government, the aim being to eliminate discrimination against Greek citizens where passport control is concerned and to find a solution which complies with Community legislation.

The talks with the British authorities will continue shortly, my impression from the outcome of past discussions being that a satisfactory solution can be found in the foreseeable future.

Mr Gontikas (PPE). — (GR) I thank the Commissioner for his quite positive reply. It simply exposes Britain's intention to treat citizens of equal-ranking States on an unequal basis. I just want to tell the Commission and Parliament that we in Greece feel great dissatisfaction about this state of affairs.

Mr Narjes. — (DE) The Commission will bear this view in mind in the position it adopts.

Mr Enright (S). — Is the Commission aware that there is absolutely no discrimination against our Greek comrades at the Leeds-Bradford airport to which, very kindly, the Commission is giving money at the moment for its further development and it can therefore double the amount of money it has given?

But what steps does the Commission intend to take at Brussels airport where there is discrimination against people generally both in getting out and in getting in?

Mr Narjes. — (DE) As regards the honourable Member's complaints about Brussels, I would be grateful for specific details. Where British airports are concerned, the Commission is acting on incidents in London.

Mr Marshall (ED). — Can I assure the Commissioner that many others besides our Greek colleagues find this discrimination offensive and can I wish him good luck with his battle against the British Government in which he will have the support of a majority of British Members of this House?

President. — That is not a question.

Mr Narjes. — (DE) Nonetheless, I should like to thank the honourable Member.

President. — Question No 16, by Mr Prag (H-387/82):

Requirements and standards for the addressing of mail vary widely between the Member States. Paradoxically, the adoption of post-codes by Member

States, by requiring standardization on differing bases, appears to have increased rather than decreased the disparities in the methods now required or recommended. A uniform addressing method throughout the Community would help sorting offices and postmen, speed up postal deliveries, and increase business efficiency in all the Member States. Will the Commission, therefore, put forward proposals for a uniform postal addressing method using the simplest and most effective elements of the formulae already developed by Member States?

Mr Narjes, Member of the Commission. — (DE) The Commission does not consider it necessary for it to take steps towards the harmonization of the addressing of mail at present. It would point out that the World Postal Union and the European Conference of Postal and Telecommunications Administrations have made many successful efforts to standardize the addressing of mail. This is particularly true of the Frankfurt Convention of 1964, which may not be known in the United Kingdom. Under this convention France, Belgium, Italy and the Federal Republic of Germany agreed on a standard method of addressing mail, involving the abbreviation of the country of destination, the post-code and the place of destination. Denmark, Luxembourg, the Netherlands and also Spain acceded to the Frankfurt Convention later. Greece is planning to introduce the same system, and a decision is pending in Ireland. Thus it is only the United Kingdom which has a specific problem, solving which will entail substantial investments. I assume that these investments are the reason why Britain has not yet acceded to the Frankfurt Convention.

Mr Prag (ED). — Does the Commissioner not regard it as absurd that a Member State should specify different ways and different orders of putting the various items in addresses on envelopes and would he tell me what he thinks is the reason for this? Is it a kind of fear, is it the resurgence of nationalism or is it the fear of national civil servants of losing their jobs that makes the Commission frightened of proposing simple, sensible Community solutions to simple, common problems and that prevents the Member States from adopting such solutions?

Mr Narjes. — (DE) It is not, of course, known precisely what are the motives of the British postal administration. As I understand it, the British took their decisions at a time when it was perhaps difficult to foresee that a system different from that chosen by the British postal administration would gain currency on the Continent. Britain now faces the problem of adapting its system to the Continental system, which means changing the automatic mail sorting equipment. This will entail substantial investments, but I am optimistic enough to believe that the revenue of the British postal administration will enable it to plan such investments

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at a suitable time and so make a uniform addressing method throughout Europe possible.

Mr Van Minnen (S). — (NL) Commissioner, whilst being heartened by the herculean efforts which the Commission would have us believe are being made by them with a view to harmonization in this area, the utilizer — which is, in most cases, the person who simply takes pen to paper and sends off his letter — has become conscious of two phenomena. Firstly, that the degree of harmonization and automatization would appear to be in inverse proportion to the speed of deliveries. In my country, the Netherlands, delivery of a simple letter now takes twice as long as it did prior to the introduction of postal codes, a factor calculated to dampen somewhat the citizens' enthusiasm for the postal authorities. Secondly, they wonder why, if a large country, such as the Federal Republic of Germany, can make do with a postal code consisting of 4 figures, little Netherlands has to add two letters to these 4 figures to come up with their codes. Thus the smaller the country, the longer the code. But in which type of country should we have one or other code? How exactly does the Commission intend to set about harmonizing this whole affair so that the end result will be practical?

Mr Narjes. — (DE) Questions relating to distribution equipment and the specific way in which individual addresses are written are, of course, very much a matter of distribution technology itself, and the Commission is inclined to leave this field to the experts rather than pass a general judgment on whether or not a given method of distribution or a given addressing requirement is excessive.

Mr Rogalla (S). — (DE) I wanted to ask the Commissioner if he shares my view that continued efforts to standardize postal charges in the Member States would be a reasonable way of perhaps increasing the revenue of the British postal administration, thus enabling it to take the rationalization measures which have been mentioned, and how he regards the European Parliament's efforts to have a uniform European stamp — for one value at least — slowly introduced and to continue these efforts in years to come?

Mr Narjes. — (DE) The Commission has frequently had occasion to express its positive basic attitude towards the two matters referred to by Mr Rogalla. It has not changed its view in this respect.

President. — Question No 17, by Mr Cousté (H-389/82):

In view of the numerous monetary adjustments made in recent months within the European Monetary System and the diverse reactions of

European currencies to dollar fluctuations, does the Commission think that the European Monetary System is functioning optimally? Should it not be strengthened and made more effective?

Mr Andriessen, Member of the Commission. — (NL) The fact that a number of parity changes have taken place within the EMS is a reflection, not on the workings of that system, but rather on the health of its members' economies. Such parity adjustments as have taken place within the EMS, and there have been three between October 1981 and June 1982, have all been entirely within the rules of the system. I would also add that, insofar as such parity changes have been coupled with credible austerity programmes by the Member States concerned, they may be said to have contributed to the smooth functioning of the EMS in its present phase. Thus one might say that, given the difficult overall economic situation in which it has to operate, the European Monetary System functions as well as can realistically be expected, from which it must not be implied that there is no room for improvement.

With a view to strengthening the EMS and making it more effective, the Commission submitted proposals to the Council of Finance and Economics Ministers on 15 March 1982. The aim was, amongst others, to achieve a greater degree of convergence of the Member States' economies and to improve the external workings of the system. It is clear that, to be truly effective, the EMS must be based on a greater degree of convergence of its Member States' economies. The absence of an agreement at that meeting has regrettably meant that the Commission's proposals have not been taken up. But, although an examination of this dossier has not yet been completed, the Commission is not waiting for an official opening of the second phase negotiations and is already pressing hard for a more widespread use of the ECU and a greater convergence of Member States' economies. Without doubt, achievement of the latter would pre-empt such regular parity changes as we have recently witnessed.

With your permission, Madam President, I might just enumerate some of the measures taken by the Commission in this area. The Commission's recommendation to the Belgian Government in July 1981 on the urgency of restoring a degree of equilibrium to its budget and balance of payments; a Commission communication in July 1981 on indexation; a Commission communication in 1982 concerning budgetary austerity and economic convergence. Regarding the coordination of external monetary policy, one of the aspects of Mr Cousté's question, the following Commission initiatives are worthy of note. It made proposals for improving the consultation procedure between the Community and the United States in cases of, for example, increasing turbulence on Community money markets. We have appealed to the US authorities to reconsider their officially declared policy of non-inter-

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vention in the money markets. We have appealed for improved coordination in the intervention policies practised by the central banks of third countries. Acceptance of such measures would go a long way towards reducing turbulence in the money markets as well as having a salutary effect on the functioning of the EMS, for, to end on the note on which I began, although we cannot complain about its present functioning, a greater degree of internal economic convergence, as well as improved international cooperation, would result in a more smoothly functioning system.

Mr Cousté (DEP). — (FR) I am grateful to the Commissioner for his answer.

I note that he is fairly satisfied with the workings of the European Monetary System; I share his view that it is important to ensure the convergence of our respective economies; currencies are the immediate expression of convergence or divergence within the European Monetary System, but my supplementary question will be perfectly clear.

I believe that relations with the dollar are fundamental because they have repercussions on the status of currencies within the European Monetary System. I should therefore be grateful for further clarification of the last part of the Commissioner's answer: what steps does he intend to take to ensure that the international monetary system can once again be founded on a fully operational European Monetary System?

Mr Andriessen. — (NL) It goes without saying that increased international cooperation presupposes a positive cooperative effort from all of those involved. It should be clear that the Commission is fully prepared to take the necessary measures in this field. I fully subscribe to Mr Cousté's view that relations between the EMS currencies and the US dollar are important in determining the behaviour of world currencies as such. But it should also be clear that to undertake an initiative on the lines of that to which he referred would require the active cooperation of all concerned, not least the United States. The Commission intends to continue its efforts in this direction. This was a feature of the Commission's discussions with the US authorities last week. But it should be reiterated that, given the Commission's total dependence on the cooperation of the various authorities, miracles should not be expected.

Sir Brandon Rhys Williams (ED). — Is it not obvious that the Commission is in fact making no significant progress towards achieving effective convergence, particularly in regard to the different rates of inflation within the Community, and that it is therefore inevitable that the effort to keep fixed monetary rates of exchange is only serving to create artificial currency frontiers within the Community behind which econo-

mic conditions widely differ for each Member State, quite out of accordance with the spirit of the Treaty? Would it not be much more realistic to keep the exchange rates to their purchasing power parity by much more frequent *small* adjustments of the central bank rates, thereby making it possible to unite the market for current account transactions and to introduce a single real rate of interest throughout the Community?

Mr Andriessen. — (NL) It is clear that, in the context of convergence of Member States' economies, a certain interaction is at work. It is also worth noting that convergence can be attained by other means than through the EMS, even though the latter can make a valuable contribution. Unfortunately, it has to be admitted that Community Member States have heretofore shown an unwillingness to take account of the Community goal of convergence in the formulation of their individual economic policies. I must confess that this will tend to perpetuate the artificial factor at work within the EMS. I must further confess that the Commission has clearly been unable to make the kind of progress it had hoped in the field of true coordination of Community Member State economic policies, which it feels to be necessary.

As for the rest, I would draw attention to two points: firstly, as indicated in my answer to Mr Cousté, I increasingly have the impression that, as the economic recession closes in on the Community, the Commission's monetary and economic recommendations to the Member State governments are gradually finding a willing ear. To that extent, and without wishing to exaggerate the importance of the phenomenon, I would call that a certain success. Against that, however, it must be said that the current economic recession is causing Member States to have recourse once again to the old national policies, whereas they ought to have realized by now that nothing short of a Community policy will have any remedial effect.

Without denying a certain verity in Mr Cousté's question, there are undeniable signs that Community policy objectives are beginning to be heeded. I would add that the Commission's powers are of course strictly defined in, and restricted by, the Treaty of Rome. But the effect of the Commission's recommendations can only be strengthened by questions such as these in the House.

Mr Bonaccini (COM). — (IT) Parliament has turned its attention to this problem more than once, and resolutions have been adopted in this connection. For that matter, certain terms laid down in the instrument constituting the EMS are no longer relevant.

Does the Commission not feel itself able to make a report to Parliament on the current situation and the reasonable prospects of attaining the objectives proposed for the European Monetary System?

Mr Andriessen. — (NL) The Commission is of course always ready to report to Parliament in the manner required as regards its various activities, and in this case on the EMS. I shall gladly attempt to impress upon my fellow Commissioner, Mr Ortoli, whose sphere of responsibility is more directly concerned here, the need for a more detailed and specific dialogue with Parliament than that allowed for in the context of Question Time in the House. Perhaps the ideal solution would be for him to reach agreement with the Economic and Monetary Committee of the House on the best way of replying to the points raised by the honourable Member.

President. — As the authors are not present, Questions Nos 18, 19 and 20 will be answered in writing¹

Question No 21, by Mr Adam (H-474/82):

What steps are the Commission taking to ensure that in all Member States the specific element of tobacco taxation, as a percentage of total taxation, is not less than 5% and can the Commission give an estimate of the date at which this minimum figure is expected to be reached?

Mr Tugendhat, Vice-President of the Commission. — The honourable Member refers to the problems arising from the application of Council Directive 72/464 of 19 December 1972 on taxes other than turnover taxes which affect the consumption of manufactured tobacco. Article 8 of the Directive states that the specific excise duty element should be between 5 and 55% of the total tax due. At 1 August 1982 the specific excise duty element in relation to the total charge to tax for cigarettes in the most popular price category amounted to 5.03% in Belgium, 51.41% in Denmark, 38.66% in the Federal Republic of Germany, 5% in France, 11.24% in Greece, 54.95 % in Ireland, 1.30% in Italy, 5.15% in Luxembourg, 10% in the Netherlands and 54.12% in the United Kingdom. Through its services, the Commission ensures that the laws of the Member States comply with the provisions of the abovementioned Directive.

Where it appears that a Member State is no longer in compliance with the provisions in question, the Commission will take appropriate action including opening infringement procedures under Article 169 of the EEC Treaty. Thus in an infringement case brought by the Commission, the Court of Justice recently ruled that Italy had contravened these provisions at the rate of 1.30% of the specific element of the tax, that being the rate instead of 5%. That, Mr President, concludes my answer.

Mr Adam (S). — Well, in one respect the answer is very encouraging because the previous figure that I

had for the Italian percentage was 1, so I suppose 1.3 is quite a considerable increase, at least in percentage terms. But if the Court has now ruled that Italy is in contravention, can the Commissioner indicate what steps are now being taken to ensure that the tax rate in Italy will be 5%?

Mr Tugendhat. — As I said in my answer to a previous question on a different subject, the Commission not only seeks to obey the rulings of the Court itself but, once the Court has ruled, seeks to ensure that the Member States do so as well. That is certainly going to be the case in this matter.

Mr Welsh (ED). — The Commissioner will certainly be aware that later on this very evening Parliament will be voting on the Beumer report (Doc. 1-789/82) which, as it stands, rejects the Commission's latest proposals for the harmonization of tobacco taxes. Would he agree that, assuming the report is voted through in the form it left the committee, it would be advisable for the Commission to return to the Council and seek a new mandate for the whole question of tobacco tax harmonization and make a fresh start rather than seeking to add patches onto a very creaky building?

Mr Tugendhat. — I hope that the honourable Member will forgive me for saying that I think we had better cross that bridge when we come to it.

President. — Question No 22, by Mr Marshall (H-484/82):

What steps is the Commission taking to ensure that the Italian tobacco market becomes truly competitive; can it state the extent to which Italy has harmonized tobacco taxation?

Mr Andriessen, Member of the Commission. — (NL) This is not the first time that Parliament has raised the matter of the problems surrounding Italian tobacco. On previous occasions I have referred to the measures which have been or are being taken by the Italian Government with a view to making the Italian State monopoly in tobacco conform to Article 37 of the Treaty of Rome. It was clearly the responsibility of the Italian Government to take the necessary measures with a view to elaborating a new system of tax receipts from manufactured tobacco products.

In like manner it was their duty to see to it that the profession of tobacco retailer, that is, shopkeeper in tobacco products, be free to nationals of other Member States. I can inform the House that the measures in question were presented by the Italian Government to the Parliament in Rome in April 1982. I regret to have to inform the House that heretofore the Italian Parlia-

¹ See Annex of 15. 12. 1982.

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ment has been dragging its feet on the matter. The Commission has certainly not been inactive and has not let up in its efforts to draw the attention of the Italian Government to these delaying tactics.

On the fiscal aspects thereof, the Commission was of the opinion that Italy had contravened one of the provisions of Directive 72/464 EEC of 19 December 1972. This directive was supplemented by Directive 77/805 of 19 December 1977 which stipulated that a special duty on cigarettes in the normal price range may not be inferior to 5% of all taxes. In recent years the average has never surpassed 1.3% of all taxes and, as such, was clearly below the norm to which I have just referred. Following recourse to legal means by the Commission against Italy some years ago on this matter, the Italian Government prepared a draft resolution which it submitted to its parliament in Rome. That parliament has since been dragging its feet. Consequently the Commission referred the matter to the Court of Justice in mid-1981. Last week the Court handed down its verdict, a verdict indicting Italy.

Mr Marshall (S). — I thank the Commissioner for his very full reply which covers a sad story of delay in action and broken faith and may I ask him with how much speed, armed by the verdict of the European Court, he intends to follow the Italian Government until they comply with the rules of the Court and allow the Italian tobacco market to become truly competitive for all Community producers?

Mr Andriessen. — (NL) I myself have only been involved with monopolies and suchlike since very recently. I can assure the honourable Member that I will do my part to see that the affair is regulated as quickly as possible, in conformity with the provisions of the Treaty of Rome.

President. — I declare the first part of Question Time closed.¹

3. Budget (continuation)

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

Mrs Boserup (COM). — (DA) Madam President, colleagues, such a broad measure of political agreement seems to have arisen and to have been achieved in the Assembly that the budget for 1983 can be adopted without any problems. I know that the Coun-

cil has misgivings, but they are hardly so serious as to warrant months of dispute and conflict, with twelfths, legal proceedings and suchlike. My party's enduring conviction that EEC membership is against the interests of Danish workers is sufficient for me to vote against this budget, but even without this general attitude a Danish Member must be extremely wary with regard to the Jackson report. Even my Social Democratic friends must be cautious. It says in the Jackson report that we think that the appropriations for cultural policy activities are insufficient. As far as I know, the Danish Social Democrats share my view that cultural appropriations should not even appear in the budget of the European Community.

Regarding this weighty business — the supplementary budget — I would say that it is a political reality that the big country, Great Britain, has managed to force through an agreement on compensation in the Council. Whether this is reasonable or lawful is beside the point; it is a political reality. At the same time the Federal Republic of Germany has asked for some money for its distressed and fairly dubious nuclear power projects. These things are interrelated. It is senseless — to put it mildly — for Parliament to make use of this difficult question in an attempt to increase its power, for us to steer a course like lemmings towards an abyss of institutional crises, crises between Member States and crises between political forces in this Chamber. We shall only be damaging a Community of which the majority in this House declare themselves to be fervent adherents. I think we should acknowledge that we are faced with a political reality and let the British and the Germans have their kickbacks. They are the big countries. It is they who decide. Unfortunately for my country.

I would say in conclusion that there is a contrast between the seriousness with which we deal with budgets in this Chamber and the indifference with which they are treated once adopted. I am thinking in particular of Parliament's budget and of the fact that we are now in the process of transferring 17 million ECU to an item which has nothing more than 'pm' beside it — 17 million ECU, which the majority are keen to have in order to sing their own praises — it is called 'election information'. I don't care if the majority are in favour of it. I cannot accept that it should be undertaken in total secrecy. I could accept it if it had been introduced here in this Chamber honourably, honestly and openly before public opinion. But to hide the fact that we have scraped the bottoms of all the coffers — from the petty cash to the heavily funded budget items — in order to get hold of 17 million to advertise ourselves is in conflict with Parliament's own wishes with regard to one-year budgeting, transparency and honesty. We should address to ourselves the demands we make of the Commission in regard to one-year budgeting, transparency and honesty. That way we should achieve some respectability.

¹ See Annex of 15. 12. 1982.

IN THE CHAIR: MR NIKOLAOU

Vice-President

Mr Irmer (L). — (DE) Mr President, the unpleasant situation in which we find ourselves as regards the supplementary budget is basically due to a very pleasant circumstance, the fact that it has been possible to save something over 1 000 m EUA of this year's Community budget. It surely must be said publicly that this is a unique occurrence. What country can claim to save almost 5% of total expenditure under its budget? We had a similar situation last year, and last year the mistake made — by this Parliament as elsewhere — was not to use the surplus for Community activities but to distribute it among the Member States. The Liberal and Democratic Group and the majority of the members of the Committee on Budgetary Control were opposed to this procedure, and I am glad to see the signs in a similar situation today that a majority of the House feel this money should not be paid to Member States covertly or overtly, because otherwise the major contribution we of this Parliament have made to these savings will have been in vain.

It was after all due to Parliament's constant urging that less in export subsidies had to be paid out under the policy on the marketing of agricultural products. When I look at this figure, 1 000 m ECU, and remember that Parliament costs only one fifth of this in a year, I make it that with our policy and the pressure we have exerted we have saved as much as we will cost over the whole electoral period. In other words, the European Parliament is paying for itself!

I will briefly explain, Mr President, why we are opposed to the adoption of the supplementary budget as it stands. The premises are completely wrong. Even the terminology is wrong. Everyone is saying that Britain's contribution is too high and even the Federal Republic of Germany is a net contributor. You should waste no time, ladies and gentlemen, in removing these terms from your vocabulary. I call on the Commission too to stop using the term 'net contribution' or 'net payment' in its documents because it is wrong. This Community finances itself from its own revenue. Not a single penny of the money that goes into the Community budget comes from a national budget, except in the case of Greece, and that only for a transitional period.

A question that can be asked, however, is whether all the Member States derive equal benefit from membership of the Community. Our British colleagues are right when they say that Britain derives too little benefit from its membership. We are all prepared to remedy this situation, not by making virtually direct payments from the Community budget to the national budget or to national projects, but solely by giving preference to the financing of Community projects in

Britain which create jobs and help to revive the British economy. We all want that, and we are also prepared to give Britain preferential treatment over other countries — but please, not in this way.

You, my British friends, have said that this will make the Community unpopular in your country. Think again, I would ask you, before giving your support to a campaign of this kind, if it should be instigated. Tell the public that the Community is not working satisfactorily because of the governments, because of the Council of Ministers, when it comes to implementing Community projects in your country. Let us all help to ensure that more is done for Britain next year — but through Community activities, not direct transfers from the budget of the European Community, because that would be contrary to the spirit of the Community and would jeopardize the foundations of financial autonomy and thus of the Community itself.

Mrs Vayssade (S), draftsman of the opinion of the Committee of Inquiry on the Situation of Women in Europe. — (FR) Mr President, during the first reading, I appealed to the European Parliament, on behalf of the Committee of Inquiry, to be consistent with itself and to make available appropriations for the practical implementation of measures in favour of women. We all noted with pleasure Parliament's agreement to our request. Unfortunately, Mr President, the Council has not shown the same wisdom: it has once again made sweeping cuts in the appropriations requested by us.

It therefore seems to me all the more important for our Assembly to reaffirm its budgetary determination to help women. It can do so by following the opinion of the Committee on Budgets on three important points at least. On line 2720 relating to information and public events, I would ask you to support Amendment No 27 by Mrs Gaiotti de Biase which was adopted in the Committee on Budgets and I shall withdraw my own amendment to ensure greater clarity. As to Article 605 — the Social Fund, measures for women — I would ask Parliament to adopt Amendment No 183 by Mr Jackson and I endorse the proposal that he made in the Committee on Budgets which fell far short of our own request on first reading but, having regard to the present negotiations, appears reasonable for this chapter; I therefore withdraw my own amendment which went further. Finally, as regards Article 6440 concerning the implementation of the principle of equality between men and women, I am again asking for the European Parliament to follow the view of the Committee on Budgets by adopting Amendment No 150 tabled by Mrs Clwyd on behalf of the Committee on Social Affairs and I shall withdraw my own amendment which asked for the same thing in a different way with certain compensation. I would also ask you to adopt her amendments to the remarks against Article 630, 633 and 634 to ensure that the action programme can become a legal basis for implementation of the budget. Finally, on the problems of

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professional training, guidance and education, I believe that the decisions of the Committee on Budgets may be endorsed; even if they represent somewhat less than the votes in Parliament on first reading and fall short of the wishes of the Committee of Inquiry, the Committee on Youth and in some cases the Committee on Social Affairs, they would at least enable us to obtain more than is being proposed by the Council and would allow a number of actions to be initiated or continued under satisfactory conditions in 1983.

Mr President, those are my observations on behalf of the Committee of Inquiry into the Situation of Women in Europe.

Mr Saby (S), rapporteur. — (FR) Mr President, ladies and gentlemen, as regards the amending budget for 1982, we agree with the Committee on Budgets in asking the Council for further clarification and commitments in respect of the entire amending budget. We agree to the classification by the Council of the British contribution as compulsory expenditure, since the agreements signed by us in July clearly define the classification as between compulsory and non-compulsory expenditure. But we do not agree with the Council when it classifies the German contribution as compulsory expenditure: that is not acceptable because it is not a matter here, as in the previous case, of respecting a commitment already entered into. For this first reading we shall therefore reject the draft amending budget for 1982 and endorse the report by Mrs Barbarella. So much for the 1982 amending budget. When I said that we will vote in favour of the report and amendments by Mrs Barbarella, I was of course speaking on behalf of the French Socialists.

A few observations now on the 1983 budget. The priorities defined by Parliament and discussed with the Council have been respected. We regret the fact that on the first reading the Council did not go still further so that measures to control unemployment, world hunger and provide assistance for the countries of the Third World have not been the subject of more rational and effective action. In a spirit of conciliation and with a desire to reach agreement we consider that the 1983 budget as proposed by the rapporteur can comply with the wishes of Parliament and the tasks entrusted to us. We hope that the proposals by Parliament for this second reading of the 1983 budget will be accepted by the Council. All the amendments put forward and the total amount of the payment and commitment appropriations involved seem to us to represent a bare minimum as compared with the amounts rejected by the Council on first reading. We therefore firmly hope that all these appropriations and amendments will be adopted as proposed and we would ask the Council to find an early solution and to follow Parliament's lead in this matter.

Mr President, that brings me to the end of my observations on the financial year 1982 and the budget for 1983.

Mr Barbagli (PPE). — (IT) Mr President, ladies and gentlemen, this morning Mr Jackson raised two fundamental points in his work on the 1983 budget: the first was the fight against unemployment within the Community and the second the fight against hunger outside the Community.

I will speak on the first of these objectives, since last year I dealt with the budget on behalf of the Committee on Social Affairs, and I also happen to be rapporteur on the reform of the Social Fund in connection with the proposal that the Commission has submitted to Parliament.

Mr President, permit me to say that the rapporteur listed among the successes the obtention of a 50 % increase in the financial endowment of the Social Fund; the Council, for its part, expressed itself in a similar manner when it asserted that top priority had been given to young people.

Permit me to remind you of two statements made by two young people on the occasion of the 'hearing' held by the Committee on Social Affairs with the Youth Forum. A young Frenchman said, and I quote: 'we have the impression that Europe finds us superfluous; we take courses that last 2, 3 or 6 months or a year, and then we are left to ourselves.'

Another young person, of British nationality, declared that the York programme has produced little or no results.

I was aware of the frustration felt by these young people, and I wondered if perhaps we had given priority to the training of young people in general, without directing this training at specific job opportunities. In this connection, does not the imbalance between Article 4 and Article 5 of the 1983 budget created by the Council — an imbalance which penalizes regions, groups of companies, and even technical progress itself — tend to isolate training programmes from the other financial instruments of the Community, which create investments and jobs? The same can be said of the chapter on aid to employment. Can we truly believe that the paltry sum of 15 ECU per week disbursed in favour of companies hiring new employees can stimulate employment?

I was extremely surprised by another statement from the Council. This morning the President-in-Office said that the Council had acceded to Parliament's wishes as fully as possible, in view of the economic crisis existing in the Member States. I particularly object to the words 'Parliament's wishes': this is the will of the directly-represented peoples of Europe, and not anyone's 'wishes'! Secondly, does not the President-in-Office think that precisely because of the economic crisis in the Member States it is necessary to increase Community own resources and shift authority and resources from the Member States to the Community, in order to create, as a Community, social, economic,

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and monetary policies more effective and more economical than those of the individual Member States? Does he not think that it is necessary to promote the economic convergence of the Member States and to increase Community solidarity? Does he not think that in so doing we can lighten the financial burdens of the Member States, particularly of the weaker ones, and that these truly European investments will serve to heighten the effect of the national measures?

Mr President, Parliament has expressed its views on these matters by a large majority. I believe that it is time for the Council to do its part.

Mr R. Jackson (ED), general rapporteur. — Mr President, one of the charms of speaking in the plenary session is that there are so few people listening that you can say what you like.

It has been complained that so far in this debate there has been too much emotion from this group. Well, let me try some calm, cool rational analysis. There are six possible solutions to Britain's problem with the Community budget. Let me run through them briefly in the hope that this overall view will help us to reach a sensible conclusion in the vote on the Barbarella amendments.

The first solution, which a lot of Members here would like, is that Britain should give up its search for a fairer balance. Well, I think we can rule this out. It is perhaps not widely enough understood in this House how very large the sums of money involved are. The fact is, Mr President, that the uncorrected net British contribution this year would be more, if left uncorrected, than the total of British overseas aid to the less-developed countries. Britain simply cannot accept that we should pay more to support the food exports of the Netherlands, Denmark and increasingly the Federal Republic of Germany than to the whole of the Commonwealth in Africa and Asia.

The second solution, Mr President, is the so-called Lange mechanism for financial equalization. This is of course what is envisaged by Mrs Barbarella and her resolutions. Well, we heard the truth this morning from the Commission — the Lange mechanism is not a solution to the British problem. The point is, Mr President, that Britain is not a poor country; we are not, as Mrs Castle very rightly said this morning, asking for charity. The British budget problem derives from the fact that the Community notoriously spends more than it should on agriculture and less than it should on other policies.

And so we have the third solution, Mr President, to cut the cost of the common agricultural policy. Well, if we were to do this it would be a real contribution. For example, if we were to take out of the Community budget all financial liability for the cost of dumping food surpluses on world markets, this would go a long

way to solving the British budget problem. But let us face facts. There is no majority in this House, there is no majority in the Council for a serious reform of the common agricultural policy. Frankly, in this respect our only hope lies not in Europe but in the United States.

And then, Mr President, we have the fourth solution: to spend more on Community policies which benefit Britain. Fine, fine, I agree. But all my experience as rapporteur has made me very well aware of the way in which Members from every State, whatever their European protestations, will insist on their cut out of any increased Community expenditure. Some Members of this House, be it said, use the word 'Mediterranean' as if it were a kind of figleaf to conceal that pursuit of national interests which they condemn in others.

Let us do some most simple arithmetic, Mr President. If we were to take the existing distribution of the Regional Development Fund and then try to solve the British problem through an expansion of that fund, the fund would have to be increased 15 times in order to do it. That is not going to happen.

So, Mr President, we come to the fifth solution: *ad hoc* payments to the United Kingdom. All I will say about this is that it is precisely this solution that Mrs Barbarella is seeking to rule out.

Well, Mr President, I have listed five solutions and every one of them clearly will not work. The Community and the European Parliament will not adopt a general mechanism, which in any case would not solve the problem; they will not cut agricultural expenditure; they will not increase Community expenditure on the scale required. And now it is proposed that they should rule out *ad hoc* payments. That leaves only one solution, Mr President — the sixth solution — and this I do not intend to spell out today.

I simply leave colleagues to make their own calculations of what will happen if they try to put Britain with its back to the wall. History supplies some striking illustrations of what can happen as a result of such manoeuvres. I would simply ask this House to reflect on the mood expressed in the fighting speech of my normally very moderate colleague, Mr Balfour, this morning.

It has been observed that Britain always loses every battle except the last one. I would like to say in all solemnity that I and my whole group and the Conservative Party that sent us here would consider it to be a tragedy if that eventual battle were to be at the expense of this Parliament and of the principles of the European Community.

Mrs Nikolaou (S). — (GR) The tenor of debate in Parliament during this second reading of the 1983

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budget has been unavoidably influenced by the harsh reality thrust upon us by the decisions of the Council of Ministers.

From the very outset the Council of Ministers left Parliament with unacceptably little room for manoeuvre, thus depriving the directly elected assembly of the European peoples of the ability to play a significant role, through the exercise of its own choices, in determining basic policy guidelines for dealing with the problems afflicting Europe at the present time. Undoubtedly the Council's draft budget failed to match up to real needs and this was why Parliament took the initiative of demanding an increase in non-obligatory expenditure. The cuts imposed by the Council of Ministers, particularly as regards the transfer of resources from richer to less-developed areas, both within the Community and in respect of the Third World, stand in contrast to its declared aims and, moreover, confirm that in their present mode of operation the Community's mechanisms do effectively the opposite in that they transfer resources from poor to rich areas.

Parliament's albeit limited attempts to break this trend have met with a negative response from the Council. Specifically the Council has not accepted a redistribution of the resources of the Agricultural Fund in favour of Mediterranean products or an increase in support for Agricultural Fund guide price provisions. It has refused to sanction credits for Mediterranean products and has imposed even stricter limitations on appropriations for the Regional Fund. It has slashed aid to the Third World from the 159 million ECU sought by Parliament to 22 million ECU. The initiatives of Parliament at the second reading in again calling for a substantial increase in aid to the Third World, for the reinstatement of credits for Mediterranean programmes, for the increased support of energy, research and industrial modernization policies, and also for support to be given to programmes for improving the status of women are surely on the right track. Of course, we do recognize that Community resources are as a drop in the ocean in relation to the size of the problems. Nevertheless, the precise manner in which resources are allocated throws light on the Community's choice of policy priorities, and from this aspect it is of great significance.

The supplementary budget for 1982 raises basic problems of principle. In the view of the Socialist Group the income of the Community, from wherever it comes, constitutes the Community's own resources and it should not be linked with the specific contributions made by Member States. Moreover, it is essential that the budget should play a redistributive role so as to help bridge the social and regional disparities existing in the Community. On the basis of these principles, and so as to give some substance to the Community's declared objectives, surpluses in the balance-sheet for 1982, arising mainly from funds allocated to the CAP, should be used only to support new Com-

munity policies such as those proposed in the mandate of 30 May. We recognize that Britain is currently facing serious economic problems, and also that present Community policies are not congruent with the structure of the British economy. However, instead of pressure being exerted to bring about a change in the Community's policies it was decided to adopt the method of repayment, and this in itself numbs interest in the changing of policies in the countries receiving such payments. We consider also that in the allocation of surpluses in the framework of the supplementary budget for 1982 more account should have been taken of the less-developed Member States which, in addition to the problems of recession, also face structural and development problems.

On this point, speaking on behalf of the Members belonging to PASOK, I want to say that in our view it is essential that in the implementation of the 1983 budget measures are taken to reduce the burden borne by the less-developed Member States as a result of the repayments made to Britain and Germany.

Mr Pfennig (PPE). — *(DE)* Ladies and gentlemen, I should like to take up what Mr Irmer was saying about savings in the Community's 1982 budget and the unjustified use of these resources proposed in the Council's draft supplementary budget. I would point out once again that the Community has made savings not only in 1982 but every year and that it will make savings again in 1983.

What national parliament earmarks only 75% of possible revenue for expenditure? All national budgets, if I am correctly informed, earmark about 125% of possible revenue for expenditure. They thus make provision for debts. Even after the second reading, on the other hand, the Community budget will use less than 80% of possible value-added tax revenue for expenditure. This means that, even allowing for the increases the European Parliament is proposing, expenditure in 1983 will be just about the same as in 1982, before inflation. What national parliament has ever managed to do this with its budget?

I cannot avoid the suspicion, however, that this policy of thrift, which the European Parliament also generally endorses, is constantly held up to the national parliament by the governments represented in the Council as proof that the Community's own resources are far from exhausted. This suspicion is strengthened, firstly, by the unjustified repayment to two Member States of Community resources saved in 1982 and, secondly, by the unjustified cuts the Council has made in the 1983 budget, for which the European Parliament's requests for increases can hardly compensate.

Although I am pleased to hear the Council agrees that the European Parliament has made some reasonable proposals concerning the regional and social sectors and that it largely accepts these proposals, I should

Pfennig

like to refer to five aspects where I regard developments as totally unsatisfactory.

Two have already been mentioned. I consider it to be no more than a punishment for two Community organs — the European Court of Auditors and the European Court of Justice — to have their estimates of expenditure cut by a flat 5%, as happened at the first reading, even if they have been raised again by 2%. There is no reasonable justification at all for this.

Furthermore, the Commission's proposals for a five-year programme in the energy and research sector were reduced at the first reading from 167 m to 40 m ECU in commitment appropriations and from 103 m to 55 m ECU in payment appropriations, a cut of well over 50%. Even if the European Parliament now succeeds in increasing the commitment appropriations by 31 m ECU and the payment appropriations by 7.9 m ECU, we shall still have far less for 1983 than the Commission considers necessary and indeed should be spent.

This situation is due to the Commission's inability actually to spend the money because the Council has not yet taken the appropriate political decisions. This is revealed most clearly by the Council's failure to adopt the regulations on alternative energy sources and energy conservation which have so far been proposed. Something very similar is true of the research sector.

The resources proposed for the transport sector, which the Treaties explicitly refer to as an area for European policy and in which numerous projects have been planned and could be implemented — examples being the rail link with Greece, the tunnel project, the Antwerp-Liège-Eifel-Frankfurt motorway and the link between the Saarland and Luxembourg — were reduced by the Council to virtual insignificance at the first reading on the grounds that a legal basis has not yet been created, and therefore only a token entry should be made.

Not even the increases of 5 m and 10 m ECU at the second reading can conceal the fact that appropriations have been cut without any justification and because the Council is too lazy to take political decisions. I would make the point once again that larger amounts could have been entered and could have been spent by the Commission; otherwise they would not have estimated these larger amounts in the first place.

I ask myself — and the House — whether we should not next year consider a new strategy for the future. We should consider whether we should continue to make increases in Title 9 for administrative expenditure as in the past or let the blame for inadequate resources in these areas rest with the Council in future.

Mr Seligman (ED). — I would like to challenge the whole philosophy of this 1983 budget as described so

brilliantly by the rapporteur, Mr Jackson. To allocate 48% more to social aid and world hunger is to deal with the symptoms of the recession rather than the cause. It will do nothing to eliminate unemployment. Only investment in industry, energy and infrastructure can do that. If the EEC continues to give absolute priority to social aid and world hunger, it will become nothing more than a jumbo Oxfam. That is not our job. That is not what the EEC was set up for and the European Council knows this. Once again in Copenhagen it calls for a vigorous energy policy among other things. But every time it comes to paying the bill for their policies the Council don't want to know. Surely the Heads of State must be a little bit embarrassed by the way the Budget Council has ignored their specific instructions on energy for three whole years.

On the subject of the 1982 budget rebate, Mrs Barbarella and many others accuse Britain of wanting *juste retour*. Now this is just not true. Britain only wants a fair sharing of the cost — *juste partage*. What sort of club is this where only two members pay net subscriptions and the others pay net nothing? It has taken the members of the Council many months now to stitch together this delicate agreement on the 1982 budget rebate. I beg all Members to think deeply and realistically about the effect on the Community and the welfare of their own nation before they tear this delicate agreement to pieces and cause chaos in the Community.

In the long run the Barbarella amendments are right, but to introduce them now in this way at this moment would be completely self-defeating.

Mr Langes (PPE). — (DE) Mr President, anyone who listened to the debate this morning will have the impression that some Members and the Council are under a misapprehension. Our British colleagues — Mrs Castle, for example — have described the situation as if we wanted to use the question of the supplementary budget as a means of penalizing Britain. I wish to make it absolutely clear that that is in no way the intention of most Members of this Parliament. We have in fact stated quite clearly that we know the financial mechanism in the European Community is not right. We know that it results in unfair treatment. But — and I say this to Mr Balfour — in the last two years — and I was one of those who supported this proposal — we have said we want to give Britain special assistance for a transitional period, for a limited period, and in these two years the Commission and Council will have the opportunity of creating a reasonable new financial system.

What would it be like if Portugal were already a member of the Community? Could we then seriously claim that this financial mechanism is in order? Would it be right for the Portuguese suddenly to become the Community's largest net contributor? That would be absurd. But I must say to my British colleagues that,

Langes

much as we appreciate this, we know that we must put a stop to transitional solutions, which are simply extended again and again and eventually become a political institution, and we cannot permit that.

The second misapprehension is in the Council. The Council believes that the Prime Ministers have laboriously found a solution to the present injustices. This is a magnificent solution, the Council claims, and it has adequate legislative powers for the purpose. But the Council is then surprised to find Parliament rejecting this solution by a large majority and accuses us of interfering in the Council's legislative rights. I do not know what the Council was thinking when it approved direct elections to the European Parliament. But we certainly have not come here simply to take note of this important question. We are not prepared to do that.

We are not interfering in the Council's legislative rights — that is the misapprehension on the Council's part. We are doing no more than exercising *our* right with respect to the budget. A medicine is no good unless it tastes bad, as they say. That is what we tell our children. The Council consists, of course, of very reputable people. I should therefore like to express myself in a somewhat more literary manner. The Romans used to say: *per aspera ad astra*. Alluding to our flag, we might say to the Council: *per aspera ad astra europea*. The European Community can be strengthened only if we together develop principles, systems and mechanisms which are fair to our various countries, but which as a whole reveal their solidarity with the less fortunate among them.

When the gentlemen of the Council attend the conciliation meeting tomorrow, I would therefore urge them to accept Parliament's offer and approve the proposals made in the Barbarella report. We are prepared to cooperate on this supplementary budget as we have already done on the 1983 general budget.

Mr Newton Dunn (ED). — We have had eight speakers from the European Democratic Group. Not one has been able to support the Barbarella resolution. Not one. I hope our colleagues will be asking themselves why not even a federalist like myself can fall in line with the other continental Members here. Many of us — all of us indeed in this group — support the advance of Europe. We support strengthening of the European Parliament's powers but we cannot go along with this particular resolution. I want my colleagues to ask themselves why. Mr Langes has just said that he believes that we British see this as a kind of punishment on the UK. We do not. This is not a punishment. None of us feel it is a punishment. Why we oppose this, Mr Langes, is because we are afraid of the effects on British public opinion. Rightly or wrongly, in my view wrongly, British public opinion is still worried about the benefits of the European Community. I believe strongly that the benefits of Europe are very

great in the UK and we should not worry about them, but please understand that the public at home in Britain does not yet feel that way. Therefore it is terribly important that Thursday's vote does not go the wrong way from the British point of view and is not misunderstood back in the UK and that is what I am afraid that colleagues here do not understand.

The UK rebates are rather like a bandage against the budgetary sickness, the illness that we still suffer in this Community, because the budget is incomplete and we lack common policies. It would be wrong to rip off the bandages applied to the UK in the search for a cure. Please pursue a cure. We must find one, but don't rip off our bandages and make the British patient even worse than it was before.

Mr Edward Kellett-Bowman (ED). — Mr President, in the closing minutes of this debate on the budget for 1983 and supplementary amending budget No 1, I want to do two things. First, I would like to congratulate the two rapporteurs. Robert Jackson started work on his budget before Christmas last year, and he has dedicated the last 12 months towards carrying the Community forward on the basis of agreement. He has persuaded us that at home in Europe we should be seeking to solve the problem of unemployment and that overseas we should be making a contribution towards dealing with the hungry in the world. Mrs Barbarella took up Mr Spinelli's burden and has made a very personal and lively contribution to the committee's work. I haven't always agreed with her, but her contribution is something I have to admire, particularly her flair.

This leads me to my second point. If only she directed her energies against the right enemy, in this case the Council. Now at the first reading of the budget in October our colleague, Professor Konrad Schön, declaimed very strongly on the subject of the Council's role in the development of the Community. I agree with every word he then said. He called upon the Community to develop policies which will carry the Community forward. This could only be done if the Council was working together in such a way that they were playing in a flagship role instead of as a 'no, you can't do that' role which we have seen far too often. Whilst the Community remains agriculturally orientated ignoring the other policies which should be carried forward, such as an industrial policy, a proper energy policy, a proper transport policy, so the unbalanced nature of the budget will occur from year to year. This is the thing from which we suffer and to which Mr Newton Dunn has just referred.

If only the Council would take Mr Konrad Schön's advice and create Community-wide policies the problems of net contributions would not be the subject of debate year after year, budget after budget. My country would not have to be asking for fair play year by year and budget after budget. The United Kingdom

Kellett-Bowman

led by the present government would be seen to be truly *communautaire* as it really is.

Mr Tugendhat, Vice-President of the Commission. — Mr President, we have had a long debate and I think it would be impossible for me to answer each and every one of the speakers who has participated. I think it would probably be taking up a needless amount of the House's time if I was to set out the Commission's position on the 1982 supplementary and the 1983 draft general budget for a second time. I did that, I think, very fully in my intervention this morning. So I will confine myself to dealing with several of the particular problems which were raised by various Members during the course of the debate and which seem to me to call for a specific reply. If by any chance I do not cover somebody who feels that I should have covered them, then I hope that they will write to me and I will provide a specific response in that fashion.

I begin, simply because she came first in order of time, with Mrs Clwyd who raised the question of the level of appropriations envisaged for the Social Fund. As I implied in my own remarks, the current ratio in the draft budget between commitment and payment appropriations for this Fund does not reflect the normal relationship. In fact there are some 120 million ECU more appropriations for payments than would on the basis of normal expenditure patterns be required to meet the level of commitments. Mrs Clwyd also mentioned the requirement in the Social Fund regulations regarding the proportion of expenditure to be allocated for the action regions. She is correct in saying that there is a discrepancy in the Council's draft in that not enough has been allocated to meet the criteria which the regulation in its present form imposes. Unless therefore there is a change in the regulation in the course of 1983 — and the Commission of course has presented a proposal for the amendment of the Social Fund regulation — some other solution would need to be found in the course of the implementation of the budget.

Mr Arndt, in what, if I may say so, was a particularly perceptive intervention, drew attention to the dilemma over agricultural expenditure, not only in relation to the British budget problem, which of course arises in essence from the dominant role of agriculture in the Community's budget, but also in relation to the development of other particularly structural policies. The Parliament must recognize that the control of agricultural expenditure, to which its Committee on Budgets attaches such importance, is difficult to reconcile with some of the resolutions which its Committee on Agriculture tends to pass.

Mr Adonnino referred to the alleged overpayments to the United Kingdom in respect of 1980 and 1981, the so-called *trop perçu*. This issue is also picked up by Mr Lalor, Mr Klepsch and others. Mr Klepsch in particular asked how it came about that the Commission

allowed expenditure on such a scale to take place. I must say I was a trifle surprised by the question, because I have to answer that we did so because the relevant sums were inscribed in the budget and approved by the budget authority, that is to say by Parliament and Council, and because the regulation concerned stipulated the amount which was to be disbursed. The issue of the *trop perçu* figured in the Council agreement of 25 May and was discussed in the Commission's communication on the subsequent solution to the problem of compensation for the United Kingdom.

It is envisaged, and I quote: 'The corrections to be made for 1980 and 1981 in the light of the actual figures will be taken into account when negotiating the subsequent solution'. But as the Commission made clear in its communication on the subsequent solution, a simple comparison between the figures contained in the 30 May 1980 agreement and the actual figures does not provide any single or clear basis for determining the possible magnitude of these corrections.

This appreciation is a political and not a legal one. In fact, if on the one hand the 1980 agreement has been carried out in strict accordance with its text, on the other hand it has not had the generally expected outcome that the United Kingdom after compensation would still sustain a certain level of contribution. The Commission has proposed, therefore, that the overpayment issue should be resolved in the political context of an overall settlement for the subsequent solution.

Mrs Scrivener, who is, I am pleased to say, the first of the people I have mentioned who is actually present in the Chamber — and I thank her for her customary courtesy — mentioned borrowing and lending. The Commission is convinced that the development of investment is a basic condition for the structural adaptation of the European economies. However, we are far from certain that a guarantee through the Community budget would necessarily be the best way of fostering a desirable development of investment. Before we can take a considered view, it would be necessary on the industrial level to define closely the nature of the risks which might properly be covered by a budget guarantee and on the financial level to assess the extent to which a guarantee given for high-risk industrial loans would actually enhance the investment.

We shall also need to consider on the budget level the overall amount of guarantees which the Community's general budget could support.

This examination has not yet been done. The Commission is not, therefore, at this stage in a final position to take a view on a possible guarantee for EIB loans for high-risk industrial investment as the Committee on Budgets has proposed.

Tugendhat

Mr President, the points which I have answered are points which struck me as particularly important and points on which I had the impression that Members felt they ought to hear the answer in order to determine their votes. Perhaps I was mistaken since none of them are here, apart from Madam Scrivener, to listen to my reply, but I hope that the officials from the party groups, who perhaps are here, will ensure that my answers to the questions reach their destination.

Mrs Barbarella (COM), rapporteur. — (IT) Mr President, I would like to reply on two points only.

Firstly, I would like to tell our British colleagues that they are mistaken in thinking that there is an anti-British attitude in this Chamber.

What did the Committee on Budgets and those non-British members who spoke in the course of the debate actually ask for? They asked only that the Council, and therefore the United Kingdom as well, subject the 1982 compensatory payments to Community rules and criteria which have always been in force for all the other countries of the Community. And what has been requested for the future? Only that there be obtained from the Council a lasting Community solution to eliminate imbalances whose existence is known to everyone. Do our British colleagues really believe that the purely formal solution for which they appear to be fighting with an almost Mediterranean enthusiasm is the right way to solve the objective problems involved in their membership in the Community? Or should they not rather believe that the true solution lies in the development of the common policies which would, for example, aid in the restructuring of the industrial sectors in crisis or in the development of sectors of advanced technology, thus also contributing to the growth of the British economy?

This is the viewpoint that the Committee on Budgets and today's speakers have been urging both the Commission and the Council to adopt. I believe that this cannot be called an anti-British attitude.

Are the British members really convinced that their electors, or British public opinion in general, are unable to understand the views expressed in this Chamber today?

Secondly, I would like to remind our British colleagues that the content of the resolution which bears my name represents the opinion of the Committee on Budgets. Moreover, all the speeches made in this Chamber by non-British members have clearly shown what are the views of the majority of this Assembly.

Permit me therefore, Mr President, to reject the implications present in the speeches of some British members, who seem to me to have failed to recognize the collegiate nature of the position assumed by the Committee on Budgets.

Mr R. Jackson (ED), general rapporteur. — Mr President, I do not believe that there is any need for a lengthy summing up from me in this debate as far as the 1983 budget goes. I think that there has been pretty general support expressed for the Committee on Budgets package. I just express the hope that this will stick on Thursday when we come to the votes.

Above all, let me remind colleagues of what I said this morning: it is very important indeed that we do not end up producing a vote for more than what we consider to be our margin — 170 million in commitments and 140 million in payments.

Let me, Mr President, make just one remark to Council in response to what Mr Otto Møller said this morning. We have to be clear about this. The European Parliament considers that the amendments that it will be voting on Thursday fall within its margin and we noted the Commissioner's endorsement of that position this morning. I do not think, therefore, that these amounts are going to turn out to be negotiable. And I think the Council should entertain no illusions on that score. Personally I regret, but as rapporteur I have to make the point, that there is a general view in this House that there can be no link between the 1983 budget and the 1982 supplementary budget such that concessions by the Council tomorrow with regard to the 1983 budget will help the Parliament to reach a sensible conclusion on the 1982 supplementary. As I say, personally I regret this, but as rapporteur I must tell you that that is the opinion of this House. In my view the Parliament will vote a budget on Thursday and if we do not go over the figures that I have referred to, we expect that this is the budget that the President-in-office of the Council will adopt and that the Commission will execute.

President. — The joint debate is closed.

Voting on the report by Mrs Barbarella (Doc. 1-991/82) will take place this evening at 6 p.m.

Voting on the other motions for resolutions discussed during the joint debate will take place on Thursday at 10 a.m.

4. ECSC levy rate for 1983

President. — The next item is the report (Doc. 1-959/82) by Mr Konrad Schön, on behalf of the Committee on Budgets, on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1983 (Doc. 1-865/82 — COM(82) 706 final).

Mr Konrad Schön (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, the report before you

Schön

on the fixing of the levy rate of the European Coal and Steel Community and on the drawing up of the ECSC operating budget was approved by the Committee on Budgets with only one abstention, and as rapporteur I therefore recommend the House to adopt this report and the motion for a resolution it contains.

Mr President, ladies and gentlemen, for some time now it has been routine procedure for the European Parliament to submit a report on the operating budget of the European Coal and Steel Community proposed by the Commission and the fixing of the ECSC levy rate at the time of the second reading of the budget in December.

The High Authority — in other words, the part of the Commission which is the *High Authority* — has largely kept the promise it made many years ago to take account of the European Parliament's opinion on the levy rate and the ECSC operating budget. I acknowledge this, but for the very reason that we have this routine, I wish not only that we could be informed earlier in future but also that the High Authority would take account of the progress Parliament would like to see made.

What does Parliament want? Firstly, it would at last like to come a step nearer to a closer link between the ECSC budget and the general budget of the European Communities. We want to consider the budgets in something more like a single context. But this will mean Parliament receiving the Commission's proposals earlier, so that Parliament can go into the first reading of the general Community budget in full knowledge of the measures required for the coal and steel sector.

Secondly, this demand naturally includes the desire to see all Community measures coordinated on the basis of both the EEC Treaties and the Treaty of Paris and becoming a permanent part of the overall concept of an industrial, social, regional and energy policy. This demand is in effect prompted by the inadequacies of the European Coal and Steel Community's operating budget. The crisis in the coal and steel sector cannot be overcome with these limited resources, which, moreover, the industry itself has to provide. The Committee on Budgets discussed not only budgetary matters but also — well aware of its responsibility in the face of the serious crisis in the steel industry; I myself come from a region where the livelihood of many people is threatened by this crisis — the political demands, and it instructed me to adopt an appropriate political line in this report.

We must remember that, in view of the limited resources available, the proposed levy rate of 0.31% will not even pay for half of the measures contemplated by the Commission. Consequently, we call — as we have been doing for years — for the inclusion of customs duties on coal and steel products in the Community's own resources. This demand is, of course,

directed primarily at the Council. But the Commission should also join with us in increasing the pressure rather than sitting back and saying that it forwarded a proposal to this effect to the Council a few years ago.

Thirdly, the demand has been made — and it must be said to the Commission that we have made absolutely no progress in this respect — for the inclusion in the ECSC budget of borrowing and lending operations, which have grown in volume to about 8 500 m ECU since the ECSC began its financial activities. Parliament has made this demand year after year without the Commission making any serious effort to comply. What needs to be done if this demand is to be met? I have tried to make this the central topic of this year's report? The High Authority must draw up a genuine budget for the ECSC, as is usual for all the Community's institutions. The ECSC operating budget in its present form is — to quote the chairman of the Committee on Budgets — at best an economic plan reflecting the intentions of the High Authority. In other words, the figures you see, on the expenditure side of the Commission's tables, for example, are only commitments *envisaged* by the Commission. Actual payments are quite different and can only be seen later in the ECSC balance sheet and profit and loss account, but not in the Commission's report on the implementation of the previous year's operating budget. But this is precisely what we as a Parliament have to concern ourselves with.

The Committee on Budgets therefore calls — in paragraphs 5 and 7 of the motion for a resolution — on the High Authority to submit to us next year a proper draft budget broken down into chapters, articles and items in the manner to which we are accustomed and setting out payments actually to be made, as is done in the general budget of the European Community. This draft budget must also, as I have said, include borrowing and lending operations.

So much for the technical comments on the ECSC budget, which could in fact form the basis for a more efficient solution to the problems in the coal and steel sector that has so depressed us for many years. But I must add in this context that it was this Parliament which put the pressure on the Council, on the national governments to feed funds from the general budget into the exhausted ECSC operating budget. The Council accepted Parliament's view, particularly with regard to funds for social measures under Article 56 to cushion early retirement, to permit retraining, to create new jobs and so on.

Since 1981, thanks to Parliament, the traditional rehabilitation assistance granted pursuant to Article 56 has been paid in the form of aids for special allowances to iron and steel workers retiring prematurely as a result of Community restructuring measures and also to those on short-time work. These are special measures extending over a number of financial years, for which 50m ECU has been set aside in the draft 1983 budget.

Schön

In view of the limits to the ECSC's own resources, consideration should be given in the next few years to the possibility of further financing from the general Community budget.

I come now, Mr President, to revenue and so, generally, to the levy rate. The Commission has again proposed a rate of 0.31% this year. After a lengthy discussion, the Committee on Budgets agreed to this rate, although it might at first glance have appeared advisable to lighten the burden on the coal and steel sector which the payment of the levy represents. I myself toyed with the idea of proposing a reduction. But if we do not want to weaken the operation of the ECSC and if the ECSC is to perform all the social and restructuring tasks conferred on it by the Treaty, we must, in the view of the Committee on Budgets, expect the undertakings to continue paying the levy at this rate.

I must point out in this connection that the High Authority is already making use of an instrument to lighten the burden on the industry. This takes the form of the deferment of the payment of levies by undertakings in the hard coal mining sector, although we did find that the figures given in my report may be in need of downward adjustment. I have quoted these figures in my report because these amounts seem to be far higher than the amount which would occur in the form of lost revenue if the levy rate were reduced from 0.31% to 0.29%, as some people suggested during the public debate. Before the Commission says that the levy rate ought really to have been increased to finance the measures required in the coal and steel sector, it should therefore perhaps reconsider certain decisions which were taken as long ago as 1972.

A brief mention should also be made of various measures in the ECSC sector, for example — and we urge the Commission to look into this — whether it could not do more in this respect, considering the reserves it has. I should like to thank the Commission for already saying that it is willing to use interest subsidies not, as originally planned, very largely for conversions under Article 56 but more for investments in the restructuring of the steel industry. Another thing we of the Committee on Budgets insist on is aid to research. It must be ensured, however, that there is no duplication of research projects financed from the Community budget, and it must be established which measures can be financed fully and from the outset from the general Community budget.

That concludes my statement on our opinion and the presentation of my report.

Mrs Hoff (S). — (DE) Mr President, ladies and gentlemen, the Socialist Group will vote for this report, even though we feel that, at 268m ECU, the ECSC operating budget for 1983 is far too small. In view of the 260 000 jobs already lost in the iron and steel industry from January 1978 to July 1982 and of the

plans for restructuring, which will result in further redundancies, 268m ECU is an insignificant amount.

150m ECU — or more than half the total — is to go to aid to redeployment under Article 56 of the ECSC Treaty and social measures necessitated by restructuring. This is a reflection of the state of the industry and the extent of the expected increase in the unemployment figures. There is no end to the bad news, and undertakings whose names are synonymous with steel are fighting for their very existence.

54m ECU has been set aside for aid for research, 53m for interest subsidies and 6m for aids for coking coal and coke for the iron and steel industry. The appropriations for interest subsidies for investments and conversions seem particularly low.

I should like at this juncture to make a comment on investments in general. The Commission, which acts as the High Authority in ECSC matters, has a great responsibility to bear. It has to approve or reject investment applications on the basis of a restructuring concept coordinated at Community level. It is thus able to decide the fate of whole regions. It will, of course, obey strict economic principles and strike a national balance, and ensure that regions whose only industrial base is the coal and steel industry are not laid waste. Parliament is following this decision-making process very closely.

And now to the ECSC budget and the revenue side. About half of all revenue is derived from the levies paid by the coal and steel industry. The levy rate is 0.31%. Although the Commission had considered a 0.01% increase, which would have brought in an additional 4.14m ECU, we are in favour of leaving the rate as it is, even if representatives of the industrial association — as the previous speaker said — want the rate lowered. We believe that a levy of this magnitude is justified, firstly, because all revenue is used to finance measures in the coal and steel sector and, secondly, because the industry can surely be expected to show a minimum amount of willingness to help itself at times of crisis.

The coal and steel industry — and I am referring in particular to the iron and steel industry in this context — is not a fair-weather institution, with profits going into private pockets when the sun shines and the workers left outside when the rain falls. These levies must be collected. There must, of course, be a transfer of funds from the Community budget, as there was last year. However, we still have the deplorable situation in which customs duties on coal and steel products continue to be paid into the national treasuries, unlike all other duties, which form part of the Community's own resources. We demand a change to this system and the transfer of duties on coal and steel products to the Community.

The integration of the Community and ECSC budgets, for which the Committee on Budgets has often

Hoff

called, also belongs in this context. The artificial division into different budgets is an unnecessary obstacle to proper financial planning and does not make it any easier to keep a check on the implementation of the budgets.

As a body elected to represent the people, Parliament must also insist on the budgetization of the policy on borrowing and lending, and we are, of course, equally interested in financial activities under the ECSC investment budget, which is far larger than the operating budget we are now discussing, and we have absolutely no access to this investment budget.

The Commission does not make a very credible impression in calling on the Member States to adopt a cohesive industrial policy when it is itself unwilling or unable to establish a cohesive financial policy. We therefore urge the Commission to take a step in this direction.

As regards the time at which the operating budget was submitted, we were happy to have received the Commission's proposal earlier this year than in previous years. But if we are to have careful deliberations, the proposal must be submitted even earlier, at the same time as the Community budget. Only then will it be possible to have a satisfactory and careful debate.

Mr Wurtz (COM). — (FR) Mr President, if there is one area in which it seems difficult for us to discuss the Community budget calmly without crying out our indignation against the strategy pursued and expressing the need for far-reaching change, it is surely that of coal and steel. The texts and figures submitted to us conceal the hardship of men and women, broken families, shattered factories, dead towns, regions whose whole social life has been struck out of existence. If you think I am exaggerating, you can come and see for yourself. In my own country alone you have only to take a walk in the streets of Longwy in Lorraine or listen to the conversations of people in Denain in the north of France. Then you will see the effects of a policy which has resulted in the disappearance of four out of ten jobs in the steel industry in the space of seven years and in the continuous decline in the production of coal for more than a quarter of a century. That is why, before pronouncing on the ECSC budget, we must ask ourselves a fundamental question: what is the money of the Community to be used for?

At present three-quarters of this budget is set aside for so-called social expenditure to make good the damage caused by a policy of destruction and enable that policy to be continued. Does not the Commission in Brussels maintain that an upturning production depends on the export markets while at the same time pointing out that we should not expect a revival of exports? This is a vicious circle which is driving us still more deeply into crisis — we do not wish to move into

this situation of deadlock. In the context of its new economic strategy, France has set clear objectives for itself: the production of 24 million tonnes of steel in 1986 as against 21 million today and 30 million tonnes of coal in the early 1990s against less than 20 million today. The French Communists will do everything in their power to see to it that these targets are met. They will do so in France in the context of the guidelines defined by the majority of the Left and they will also do so at Community level, since experience shows that here too obstacles, however important they may be, can be overcome and surmounted. They will do so for the good of our peoples, of our countries and of Europe itself whose image is quite rightly at its lowest ebb at present. If we are first to stress the depth of the crisis and the reality of the constraints of the international situation, that is because we are resolved to face up to them and not simply accept events. That is and will remain our approach.

Finally, as regards the report by Mr Schön, while it maintains the levy rate of 0.31% which is a favourable point, it contains certain features which we are unable to approve, such as the future merger of the EEC and the ECSC budgets. That is why, Mr President, the French Communists and Allied Members will abstain in the vote on this report.

Mr Tugendhat, Vice-President of the Commission. — I will be as quick as I can because we have already had a long debate on the general budget. But it goes without saying that the backcloth against which next year's budget proposals have to be seen remains that of the economic recession and its worldwide effects, particularly on the steel industry where these effects are aggravated by the growth of new highly competitive steel-making capacity outside Europe. Despite its importance in the context of energy policy the Community coal industry has also faced slackening demand and unwanted growth in stocks.

(Commissioner Tugendhat's words were drowned by the noise caused by the return to the Chamber of Members summoned by the voting bell — The President called the House to order)

The dominant element in the pattern of needs which the draft budget has to meet remains that of corresponding at Community level to the problems resulting from the run-down of jobs in the steel sector and the requirement for retraining and early retirement schemes for workers who have lost their jobs.

In this sombre context it is heartening to recall that in the year 1982 the Council took two decisions granting extra funds to the ECSC from the general budget for the special purpose of financing early retirement and short-time working schemes in steel. A decision on 23 February authorized the transfer of 62 million ECU added to the 1981 budget last December for this purpose and carried forward to be implemented in 1982.

Tugendhat

Then on 21 September further contributions were authorized covering 1982 and 1983. The sums concerned fixed through the budgetary procedure will amount to 50 million ECU in each year. It is right to emphasize that Parliament played an indispensable role in obtaining the supplementary funds without which the Coal and Steel Community would not have been able to make the contribution expected of it to the handling of these difficult social problems.

The number of employees in the steel industry — 550 800 at the beginning of 1982 — is expected to have fallen by the end of the year by some 25 000. And manpower reductions will necessarily go on being a feature of the Community's efforts to bring capacity into line with possible demand. Nearly three-fifths of commitments planned in the 1983 budget cover social expenditure linked to this rundown or smaller scale organization which is going ahead in the coal sector. This includes the 50 million ECU of special aid for steel for which money comes from the general budget and a further 100 million ECU of traditional ECSC settlement aid. These social aids are supplemented by a sizeable grant of 44 million ECU for job-creating interest subsidies to encourage investors to come forward with projects to replace jobs lost in areas with declining coal and steel production. It is worth noting that this activity paid from the coal and steel budget is supplemented by Community aid for similar purposes financed from the non-quota section of the Regional Fund. The Commission last month proposed a considerable reinforcement and extension of this Regional Fund action instituted in 1980.

Before coming on to the financing of the budget, I would just say one word about the Coal and Steel Community's aid for research. The Commission regretted last year, as Parliament did also, that we were obliged to limit 1982 appropriations in favour of research in order to meet the priority claims of social expenditure. And I am glad to note, as was explained in the 1983 budget memorandum, that in implementing the 1982 budget we were able to find an extra 7 million ECU to reinforce this year's research effort. This improvement is maintained in the 1983 proposals with a figure for research grants of 54 million ECU. The importance of this research effort is of course that it is harnessed to the objective of rendering the Community industries more competitive, whether it is in price or in quality of product. For the future of the coal and steel industry this effort is just as important as the need to find Community funds for the social aid which forms an essential element in the rundown. In order to finance the policies covered by the operational budget, the Commission proposes to maintain the existing level of levy on coal and steel products — that is to say, 0.31%.

I am pleased that in his remarks and in the draft resolution which he has put forward as rapporteur of the Committee on Budgets Professor Schön supports this proposal. I think this testifies to the agreement of Par-

liament to the policies of the Commission and, the scale of the resources we have judged necessary to finance them. This agreement on fundamentals is perhaps the reason why in the draft resolution Parliament is invited to place more of an accent on procedure than on policy.

I recognize however that in this draft text some important concerns are voiced with regard to timetable, form and content of the ECSC budget. Already this year, as the report acknowledges, the Commission gave the Committee on Budgets an exposition of its proposal for the 1983 ECSC budget along with all the figures for the first reading of the general budget for 1983. We are now, however, examining whether we can make further changes by the time our proposals for the 1984 budget are presented next year. I will not comment further on the details of this matter at this stage, Mr President.

My other point has to do with the special character of the Coal and Steel Treaty and the limits that the Treaty of Paris places on any attempt to force into the quite complicated mould fixed elsewhere for the presentation and execution of the general budget the extremely simple financing regime laid down by the Coal and Steel Community. We must guard against over-elaborating in order to standardize. We shall certainly, however, seek to preserve the practice referred to in the last paragraph of the draft resolution of taking the fullest possible account of Parliament's opinion in preparing and taking the annual decision incumbent on the High Authority to fix the scale of next year's Coal and Steel Community levy.

(Applause)

IN THE CHAIR: MR DANKERT

Vice-President

President. — The debate is closed.

The vote will be taken at the next voting time.

Mr Enright (S). — On a point of order, Mr President, I think it is truly appalling that when the Commissioner was making a statement the noise and the hubbub that was going on in this House made it very difficult to hear what he was saying.

Could the enlarged Bureau please take some action upon it?

President. — I agree entirely with what you have just said, and I do assure you that some action will be taken.

5. Votes¹SPENCER REPORT (DOC. 1-324/82 — CONSULTATION OF EMPLOYEES)²

Mr Spencer (ED), rapporteur. — I regret that time pressure has deprived us of the opportunity for the half-hour debate that we were entitled to in response to Commissioner Richard's statement on the Vredeling proposal last month.

My comments cannot replace those of the groups and therefore there are only those of your rapporteur in comparing very briefly the Richard statement with the amendments which Parliament passed in October. The statement which the Commissioner read to us marks a massive and irreversible shift in the Commission's position on Vredeling. A shift in the direction, I believe, of sanity, of coherence and of workability. On the vexed questions of extra-territoriality and the bypass, on the threshold, on the definition and frequency of information, on the cost of operating the directive, Parliament has been given satisfaction. Much of the nonsense is gone and can and will not return. But although the Commissioner has yielded to Parliament on fully 70% of its amendments, on a few key issues he remains intransigent. The question of democratic election by secret ballot is one such point. Of course I understand the pressures that you, Commissioner, must be under. The concept of elections by secret ballot by the work force for a works council representing all employees must be genuinely painful for the Trades Union Council to think about. But think about it they must. And, Mr Commissioner, however you draft or redraft your statements, however much you chew your pencil, it is surely unthinkable that the formula which the Commission has conceded on the Fifth Company Directive should not also apply to Vredeling.

On the definition of confidential information which lies at the heart of this directive, we have a further and, I might say, a more serious problem. The original text exposed business naked to the prying eyes of the inquisitive. Parliament's text restored a little decency to business by allowing them to cover their most private secrets. You, Mr Commissioner, seem to be suggesting a rather titillating half-way stage between dress and undress. Sadly, it is impossible to tell from the glorious ambiguity of some of your remarks exactly what you have in mind. I gather that it is all to be done by cross-references.

It is no secret that I was in favour of declining to complete the consultation until we had seen the revised text. That would have allowed us to see exactly how the Richard statement would translate into the Richard directive.

However, the Commissioner will no doubt be relieved to hear that I do not intend to recommend that Parliament should discharge the second barrel of the isoglu-cose back at Rule 36, as there is insufficient consensus on this point in Parliament.

My colleagues on the left, with the honourable exception of President Dankert, have decided to bury their parliamentary principles for the sake of ideology and short-term tactics. My friends on the centre-right have opted not for the complexities of further parliamentary pressure, but for the single bold stroke of sending Parliament's text to the Council at this stage. And I see the force of their argument.

In effect, Mr Commissioner, they are saying to you: enough of your ambiguities and conditions, let the argument stand clear. The Vredeling proposal is dead and by March there will remain only the Parliament proposal and the Richard proposal. Then let the Council decide.

We have the Commissioner's detailed statements and his undertakings to this House and I do not for one moment anticipate that he would deviate from those undertakings when re-drafting the Richard proposal. But should the unthinkable happen, Parliament retains the right to ask for a new consultation under Rule 37 with all the tedious and avoidable delay that that would entail.

Let us move now to a vote on this resolution, secure in the knowledge that this Parliament has played a full and proper role in the legislative procedure as befits its elected status.

Mr Peters (S). — (DE) Mr President, the rapporteur is the rapporteur of the committee concerned, which means that he delivers the opinion of the committee concerned.

(Applause)

But in this case the rapporteur was not instructed by the Committee on Social Affairs and Employment to deliver an opinion, least of all one which criticizes the President. That is beneath Parliament's dignity and is an infringement of the Rules of Procedure.

(Applause)

I very much disapprove of this. The rapporteur, Mr Spencer, has expressed a private opinion in this instance, and that is not admissible under the Rules of Procedure.

(Applause)

President. — We have already had numerous discussions on this whole question of whether the rappor-

¹ See Annex.

² For the debate on the Spencer report see Debates of 13 and 14 September 1982. For the vote on the proposal for a directive see Debates of 12 October 1982.

President

teur's utterances must be an exact reflection of the committee's views.

(Interruption from Mr Peters: The committee came to no decision whatsoever)

That is true. Nevertheless, the Rules of Procedure do provide that the rapporteur [in his capacity as rapporteur] shall be called upon to state his point of view [—].

I would recommend that the Committee, on Social Affairs and Employment thrash this matter out with its rapporteur, if it feels that he has stated a view at variance with its own.

Mr Prout (ED). — I simply rise to correct the impression left by Mr Peters. Once the House has voted on a committee report, the rapporteur is then bound by the expression of the opinion of the House and not the committee. I think Mr Spencer has behaved quite correctly in this respect.

(Parliament decided to consider the motion for a resolution)

After the vote on the Konrad Schön report (Doc. 1-959/82)

Mrs Castle (S). — Mr President, I want to clarify one point, I saw you twice this afternoon, when we were reaching the explanations of vote, look around to see if there were any more names before announcing that the list was closed. Am I not right in remembering that we have a new rule that the list is already closed before the period starts for explanations of vote? You have to announce your intention beforehand and not at the last minute. This is important to those of us who are not clear what the procedure should be. Could I have a ruling on when the list for explanations of vote closes?

President. — Mrs Castle, I ask first if there any further explanations of vote to go on the list. If there are no further requests, I then declare the list closed.

Mrs Castle (S). — It would seem then that the procedure has changed, Mr President.

Mr Patterson (ED). — Mr President, I have waited until now, until the votes are over, to raise this matter. When we were voting on the Spencer report, my group had put in a written request earlier in the day for a separate vote on paragraph 5. You did not call that separate vote, and when I tried to raise the matter you said it was too late. Now it may be that there was some confusion, but I think that we have to clarify the procedure for having separate votes, because in this case it materially altered the way in which my group voted. We had to vote against the entire paragraph as a result and it was rejected.

When a group requests a separate vote, I think that you have to make absolutely certain that that separate vote is taken. Otherwise we shall get the kind of result we had today on paragraph 5 of the Spencer report.

President. — Mr Patterson, I would certainly have done that, but unfortunately your request had not reached me, perhaps due to some error. Every time I get a request for a separate vote, I accede to that request.

I should like to refer Mrs Castle to Rule 80 of our Rules of Procedure, which says: *Once the general debate and consideration of the texts have been concluded, explanations of vote may be given before the final vote, provided that a request to do so has been submitted to the President before the commencement of this vote.*

No further requests to give explanations of vote shall be accepted once the first explanation of vote has begun.

This is the way we have always proceeded.

Mrs Castle (S). — Mr President, some occupants of the chair have given the impression that the request had to be submitted in writing beforehand. I now take it that anyone can get up from the floor and ask to be added to the list. Is that so?

President. — You are quite right. That is why I asked¹

(The sitting was closed at 8.20 p.m.)

¹ Topical and urgent debate (announcement of the motions for resolutions submitted) — Speaking time — Agenda for next sitting: see Minutes.

ANNEX

Votes

The Report of Proceedings records in an annex the rapporteur's position on the various amendments as well as explanations of vote. For details of the voting the reader is referred to the Minutes of the sitting.

SPENCER REPORT (Doc. 1-324/82 — Consultation of workers): ADOPTED

The rapporteur was:

- IN FAVOUR OF Amendments Nos 94, 195/rev., 216/rev., 234/rev., 281/rev., 282/rev. and 283/rev.;
- AGAINST Amendments Nos 41, 67, 68, 69/rev., 136, 156, 176, 211, 215/rev. and 284/rev.

Explanations of vote

Mr J. Moreau (S). — (FR) Mr President, we have now come to the end of the first phase in our consideration of the directive on the information and consultation of workers in undertakings with a complex structure, in particular transnational undertakings, and in our consideration of the report by our colleague, Mr Spencer.

I wish to explain the position of my group.

The European Parliament could have turned this debate into a landmark in the history of our legislature. By overcoming the justified or unjustified fears and the various pressures to which it has been exposed, it could have adopted a text which would have marked a step forward towards industrial and economic democracy in the Community. But it has failed to do this. A majority of Members of this House have succumbed to a conservative reflex and preferred to keep a low profile and delete or diminish the more innovative aspects of the Commission's directive.

Admittedly the text goes further than the codes of conduct of the OECD, ILO and UN, at least in its declared intention. But what remains of that intention when the means of making it effective in the reality of international economic life have been denied? A majority of Members of this Parliament have shown themselves in their true colours: they are not in favour of a forward-looking policy or genuine competitiveness. This is regrettable for the whole of the European economy and damaging to the image of our Parliament. How can you expect wage-earners, workers and citizens to believe in Europe if we refuse them the possibility of expressing their position on the major decisions of their undertaking? The Commission has indicated that it will not endorse the most important amendments proposed by Parliament and will for the most part maintain its own text. But what will happen to that text in the Council after Parliament has taken its vote?

Beyond all words and phrases, the report by our colleague, Mr Spencer, takes on a quite different significance in that context. Despite the position of the Commission it is impossible for the Socialist Group to condone an operation which does nothing to enhance the status of our Assembly. That being so, and having regard to the attitude of the Commission, our group has decided to abstain in this vote. We believe that the workers and their trade union organizations in our respective countries will succeed, through their vigilant action, in imposing at the level of individual undertakings the progress which you in Parliament have refused to accept. What can be the meaning of any revitalization of Europe or of European Union for the millions of wage-earners who wish to be better informed and more directly consulted when their work and earnings are at stake? If Europe seems a

still more remote concept to some of our citizens, a majority in this Assembly has no need to look for a scapegoat: the reason for this resides in our blind defence of interests and positions dating from another age. Let us hope that this debate will cause some of our colleagues to stop and think for a moment. We for our part shall renew our efforts to ensure that Parliament at long last gives a more favourable response to the wishes of the people and of our citizens.

Mr Herman (PPE). — *(FR)* Mr President, ladies and gentlemen, our group will unanimously vote in favour of the Spencer resolution and hopes that a large majority of our colleagues will join us in this vote which marks the end of a long consultation procedure during which Parliament has been able to play its role to the full and in complete clarity.

Through Mr Richard, the Commission has rightly paid tribute to the positive role played by Parliament and in the case of most of the amendments voted by us it has indicated its intention to endorse the views of the Assembly. We wish to thank and congratulate it for this. However, in his oral statement to Parliament, Mr Richard placed an interpretation on some of Parliament's amendments which does not precisely correspond to the wishes clearly expressed by the majority. He also drew attention to the apparent contradictions between some of the amended texts to maintain a position which Parliament could not accept. The differences of opinion relate to Article 5 (2) (1), to some aspects of the communication of confidential information, to the decisions on which consultation is necessary, to the time at which such consultation takes place and to the choice of workers' representatives. In the time available to me I cannot look into these differences in detail. But I would ask you, Mr President, to include in the minutes of this sitting the written text which summarizes them. If the Commission were prepared to take account of them, it would considerably facilitate the consultation procedure which Parliament will surely request, should the text of the directive finally presented to the Council depart substantially either from the text initially presented to Parliament or from the text amended by the latter.

I wish to make use of the last seconds available to me to point out to Mr Moreau that if he has correctly read the directive thus amended, he is bound to view it in the same way as Mr Richard, who made an honest analysis and felt that this new directive did genuinely represent a considerable social breakthrough with real consultation and information of the workers without, however, encroaching upon the balance of powers within the undertaking. I was therefore surprised by the statement made by one committee chairman who really should read the text carefully.

Mr Patterson (ED). — The European Democratic Group will vote in favour of Mr Spencer's motion for a resolution. We do so on the following basis with one or two exceptions: In the first place we want to reaffirm and to seize the Council of all the amendments and I repeat, all the amendments to the Commission's original proposal which Parliament adopted in October. We believe that they were a victory for common sense. Parliament will remember that we placed a special emphasis on four points: that the directive, intended primarily to cover multinationals, should not encompass in addition small and medium-sized firms; that what has come to be known as the bypass would be unacceptable; that companies should not be obliged to disclose business secrets so prejudicing their competitive position; and that employess' representatives should be elected from the workforce by the workforce and in secret ballot.

Last month Commissioner Richard made a statement to the House giving us satisfaction on the first two of these points and we are particularly happy that 85% of the small and medium-sized companies in the United Kingdom which would have been captured are no longer within the scope of the Directive.

On the third, confidentiality, he was somewhat Delphic. We note, however, his statement that the revised directive should specifically permit management to omit from its coverage, in terms of both Articles 5 and 6, any information whose disclosure would substantially harm the company's prospects or substantially damage its interest.

A great great deal will depend on the manner in which the Commission intends to achieve this objective and for this reason my group only votes for the resolution on the under-

standing that we shall shortly be seeing the colour of Commissioner Richard's money — that is, taking into account his assurance that his amended text will be submitted with the usual explanatory memorandum to both Council and Parliament in the first quarter of 1983.

On the direct election of employees' representatives, we note that the Commission agrees with Parliament that it should be possible to designate worker's representatives by direct election and secret ballot, but we note also the Commissioner's view that this directive is not the right place to secure this objective. In this context we note that the Commission has already accepted the principle of such secret ballots in the framework of the Fifth Directive on company law. We lay special emphasis therefore on that part of this resolution which calls on the Commission to harmonize its own proposals with one another. We don't mind how the Commission secures secret ballots as long as it does so.

Finally, let me make one point absolutely clear. My group supports the new text only as a vast improvement on what the Commission originally proposed. The Commissioner has announced the intention of holding new discussions with interested parties; we suspect that we will find, as a result, that a detailed directive of this kind is not the correct legal instrument at all but that employee information and consultation would be much better secured in a completely different way. And if he should so discover, my group will be happy to go along with him.

We have devoted a great deal of time and energy to this so-called Vredeling proposal. I believe that we have demonstrated that Parliament is an essential part of the legislative process and that both Commission and Council would be wise to accept the conclusions which we have reached.

Mr Peters (S). — (DE) Mr President, ladies and gentlemen, Parliament had an opportunity here to lay down progressive workers' rights, but it has not taken full advantage of this opportunity.

The Committee on Social Affairs and Employment has improved essential aspects of the directive proposed by the Commission in the workers' interests, and in this it had the support of the left side of the House and of the members of the Christian-Democratic Group. But what workers' rights really mean in Europe became clear when the Christian-Democratic Group collapsed and even tried to explain how sensible it was being in collapsing in this way.

Mr Patterson said that it was sensible for essential workers' rights, which had been approved by the Committee on Social Affairs and Employment, to be rejected in the vote. I find this extremely regrettable, because Parliament has missed and in fact reversed what would have been a historic moment for the workers of Europe.

I do not approve of this directive because I cannot welcome this worsening of the situation. I shall not vote against it either, because the directive is more than just a voluntary code. I shall abstain so that the Council under the German Presidency can decide what it thinks of this weak directive.

Mrs Tove Nielsen (L). — (DA) Mr President, I should like to say that the Liberal and Democratic Group will be voting in favour of the resolution that we have debated exhaustively and we shall do so because we think that we have achieved a sensible result. This does not mean that we have obtained all we could have obtained, but when one enters into compromises in the name of democracy, one can never achieve 100% of what one wants. But, when we look at the result here and compare it what the Commission started out with, we really think that we in Parliament have demonstrated that we can work in a sensible manner and that we can secure proper working conditions for our activities, which means that we need not ruin our day's work by tiring ourselves out and having to inform ourselves of things which have nothing whatever to do with the daily routine, let alone the workers whose interests we claim to represent.

Once more Parliament has shown that it has an attitude different to that prevailing in the Committee on Social Affairs, and I think that is worth emphasizing. We have seen it

before: the Committee on Social Affairs and Employment is not representative of Parliament. We have adopted entirely different views here and, in the Liberal Group, we are happy with it that way. It shows that, if we do a decent job and table reasonable amendments, it is also possible to get them through.

It is now up to the Commission to assess the situation we are in here and, as far as the Liberal Group is concerned, we state that we want to be taken seriously, Commissioner Richard. What we have voted on today, what we stand for in Parliament, we also want taken note of in the Commission, and the Commissioner must know that, if trouble is not taken to follow the advice and guidance emanating from Parliament, we are likely to raise the matter again.

We have shown by our draft amendments what it is we want. So take it seriously, Commissioner, when we get the new text at the start of 1983. It will afford the Council the best basis on which to reach a sensible decision, one which we can all accept, irrespective of whether we are employees or employers.

Permit me to comment on a specific draft amendment which we are very happy to see adopted, that which will result in the removal of the suspicion-mongering which has bedevilled certain activities. I must say that I have asked time after time for evidence to be produced of infringements of the voluntary arrangements. To date, not one concrete example has been produced, and this unfortunately shows how people go around spreading empty talk. We have some voluntary codes of conduct, we adhere to them and we shall continue to adhere to them and, in the Liberal Group, we shall of course continue to believe that the voluntary procedure is the best way, in the interests of democracy.

Mr Brok (PPE). — (DE) Mr President, I shall vote for the resolution. I shall vote for it because I consider it a step forward. I too believe, Mr Peters, that, unlike the Socialist Group, the Christian-Democratic Group has gained acceptance for a position which strengthens the rights of the worker rather than the rights of anonymous powers. This resolution is therefore a considerable improvement. Proof of this is to be found in many aspects of the directive, for example, the strengthening of Article 6 compared with Article 5.

But I also feel, Mr Richard, that the Commission must make a number of improvements to the opinion it delivered in November. I believe that a worker on a newspaper, in a charity, political or church organization or a similar body, which as such enjoys special protection, should, of course, be able to exercise his social rights, but that this has its limits where the object of the firm — a newspaper, for example — might be endangered. An appropriate arrangement must be made for such workers.

I also believe, Mr Peters, that the rights of the individual worker are strengthened if he is able to cast his vote freely and independently, and that means secretly, because in my opinion secret elections are a constituent element of democracy. Workers' representatives must have the opportunity to use their own judgment and obey their own conscience in an election. Secret elections are therefore an essential requirement for the democratization of the economy. We must not jeopardize this principle out of misguided consideration for a given trade union.

Mr Papaefstratiou (PPE). — (GR) Mr President, I shall vote in favour of the motion for a resolution and I wish to express my satisfaction, as chairman of the Committee on Social Affairs and Employment, that Parliament will today arrive at its final decision. In my view the directive constitutes a social triumph and marks an important advance in the rights of employees of undertakings with complex structures. In spite of the reservations on certain points that in all likelihood exist in the minds of those holding extreme views, it is my hope that correct and judicious implementation of this directive, shaped as it will have been by a majority in the European Parliament, will help to create a climate of cooperation between employers and employees, and that this cooperation between social partners will help to bolster the productive endeavour of undertakings, particularly in view of the present economic crisis and the growth in unemployment.

We have to understand that moderation on the part of all is essential if the economies of the parliamentary democracies belonging to the EEC are to return once again to the path of progress and growth.

Mr Enright (S). — I hesitate to call Commissioner Richard 'a wee sleekit timorous cowering beastie', but that is certainly true of the proposals that he originally brought forward. They have now been utterly destroyed by this Parliament and destroyed by people who professed to believe in worker participation and who have ensured that there is going to be no worker participation whatsoever. There are those who say: 'we're already doing it under a code of practice — in a voluntary way' — aren't they wonderful, all these firms! The Liberals have just said that this has always happened, that there have been no infringements; if they are doing it in a voluntary way already, what have they got to fear from legislation on this matter? Absolutely nothing! I shall not abstain; I shall vote against this proposal because it seems to me that it has now become utterly fatuous and insane. What was already an emasculated proposition has now become decapitated. But I warn you, we shall return to fight for the rights of workers in Europe and not for big business.

Mr Eisma (NI). — *(NL)* Mr President, I fully subscribe to the explanation of vote given by Mr Peters. I would merely add a few remarks to supplement his statement.

We regret that a number of the measures contained in the original draft directive have now been considerably weakened. The Commission has, fortunately, declared its intention not to implement some of the more important amendments voted by the House. I say 'fortunately' because we were opposed to them from the outset. We anticipate the revised directive for the first quarter of 1983. In the wake of Commissioner Richard's statement we now have a clear idea as to the form the directive will take. So as not to retard the progress of this draft directive, and primarily in order to pre-empt the accusation that this House is slowing down the decision-making process, we are happy to vote outside the terms of that draft directive by abstaining, thereby expressing our belief that it does not go far enough.

Mr I. Friedrich (PPE). — *(DE)* Mr President, ladies and gentlemen, I acknowledge the fact that the Commission has accepted about 70% of Parliament's amendments, which makes a useless Commission proposal just about tolerable. I must point out, however, that the 30% rejected by the Commission include two fundamental and, for me personally, essential points.

They concern secret elections by the workers, since they alone are democratic, and the protection of firms engaged in specific activities, to which Mr Brok has already referred. I urge the Commissioner to ensure that these two essential aspects are covered by the new proposal in the way the European Parliament has decided. To show the Commission how serious I consider this request and the paramount importance I personally attach to these two essential aspects, I shall, as an exception, be one of the few members of my group unable to vote for the proposal.

Mr Chanterie (PPE). — *(NL)* Mr President, workers' circles within the Community have been anxiously awaiting Parliament's treatment of the Vredeling Directive. Far be it from me to deny that certain aspects of the directive have been weakened in the negotiating stages of its passage through this House, but I would certainly not go as far as a number of the Members from the Socialist benches in saying that the directive has been stripped of its powers, or that it is now devoid of all significance as a result of the spate of amendments. I feel that a reading of the text before us would not substantiate such statements. Commissioner Richard cannot be reproached for taking insufficient account of the workers' side in this whole debate, and he has just wished Parliament every success with the essentials of its viewpoint and in particular with the acceptance of the introduction of legally-binding measures governing an institutionalized ongoing system of information and consultation of employees.

Mr President, as a committed supporter of this directive I shall be voting in favour and I look forward to it being applicable in 1984 so that workers throughout the Community will be able to see for themselves that this directive substantially defends their interests.

Lady Elles (ED). — We are all agreed that information and consultation are an imperative for good industrial relations but not that they be legally imposed by the Community with binding obligations and consequent penalties, obligations that our commercial competitors outside the Community do not have to contend with.

Voting today in favour of forwarding to the Council amendments to the text of this draft directive by no means implies unanimous support for the necessity of the Commission's proposal. The text was badly drafted in form and objectionable in content. The amendments made some improvements to the original and Parliament has done some good work. But by proposing the draft directive, the Commission is totally failing in its own self-appointed task, to reduce the spectre of unemployment by creating new jobs and by encouraging investment, whether from within or from without the Community.

This draft directive is both irrelevant to creating one single job in the Community and a positive deterrent to encouraging badly needed capital investment.

Personally, my only purpose in voting today is for the Council to assure those investors in the Community that they will not be impeded by deleterious and restrictive legislation of this kind and with all possible speed to put the draft directive in the place best suited to it — the wastepaper basket. And let us once more encourage the investment needed to solve our real problem which is unemployment.

Mr Frischmann (COM). — (FR) Mr President, on one hand the Vredeling directive has been deprived of most of its content by the vote of a majority of Members of this Assembly. Moreover, the Commission has pointed out that it would take broad account of the majority opinion expressed here. The harm has therefore already been done. This Assembly has let slip the only outstanding occasion to adopt a social initiative favourable to the workers — an initiative which, as we pointed out some time ago, was in no way revolutionary.

In this connection we welcome the request made by the trade unions for a committee of inquiry to determine the origin and nature of the pressures exerted on this Assembly by the American lobbies or European employers organizations.

That being so, the text of the resolution submitted to us is a hypocritical document which we cannot accept, because it resembles certain other codes of conduct which, as we know only too well, are without effect. That is why we shall vote against it.

(Applause from the left)

Mr Vandewiele (PPE). — (FR) Poland!

Mr Bonaccini (COM), in writing. — (IT) We vote against this draft resolution in order to be consistent with the vote already expressed on the occasion of the debate on the directive, and in order not to support the many incongruities which were introduced into the resolution. We agree with the views presented by Mr Moreau, and precisely for this reason we had hoped for a larger number of opposing votes.

To our vote we append three further observations — the assertion that the spirit of the Vredeling directive is not dead, in spite of what Mr Spencer may say; the declaration that there are those who, working under the pressures of which we are all aware, are in reality unjustly seeking to intensify tension between the classes; the affirmation that also the employees of the multinational corporations have the right to be considered as full-fledged citizens in the democratic structure of the company, and not as subordinates with limited rights.

Mrs Van Hemeldonck (S), in writing. — (NL) Mr President, colleagues, as the voters in Flanders have sent me to the European Parliament with a brief to defend employment in the Community I warmly welcome any binding instrument which commits multinational

organizations to information and consultation for their workforce and increases the rights of the workers.

I had looked upon the Vredeling draft directive as an instrument of the European workers' movement in combating shady economic organizations which, like a thief in the night, made off with the profits after having first exploited the workers of our regions and drained national industrial infrastructures dry. Over the past ten years, we in Flanders have had to stand idly by while subsidiaries of multinational concerns, without any information or consultation of the workforce and in the absence of any prior notification of national social security authorities, simply up and went away, making off with the profits of the 'golden sixties' destined for investment elsewhere, more often than not, in the Third World where poverty is endemic and worker protection almost non-existent.

Thus, on 17 December 1980, the 905 members of the workforce at the Citroën assembly plant in Vorst/Forest on the outskirts of Brussels were informed that they were to be laid off within two weeks, as of 31 December, because the parent concern, the French group, Peugeot, had unilaterally decided to close down the operations of the plant.

In like vein, 750 workers at the Sylvania factory in Tienen, Flanders, were told on 14 March 1980, that the US parent concern, 'Telephone and Electronics Corporation', had agreed terms for the sale of their Belgian subsidiary to the French multinational 'Thomson Brandt' as of 4 April 1980, in order, as officially declared, to prevent absorption of the firm by the Japanese multinational 'Toshiba'. In the infighting between these three multinational giants, the workforce was quite simply dispensable, and thrown on to the street. In January 1980 the total workforce of 2 170 at the British Leyland assembly plant in Seneffe, Wallonia, heard that they were to lose their jobs as a result of the planned closure at the end of March 1981. The remarkable aspect of this closure was the manner in which the workforce heard the news. This took place, not via the legally ordained means of the works' council, but rather through a report in the British press.

Fifty-five workers, mostly female, at the American-owned cosmetics firm Avon in Bornem, Flanders, were laid off without any of the consultation procedures having been fulfilled. Only some time later was it learned that the decision to rationalize had been taken as far back as 1974 by the head office in the United States but that future plans for what appeared to be a rather flourishing concern had been hidden from local management.

In October 1981 the retail chain Sarma, Belgium, announced that a five-year restructuring plan elaborated by the US parent concern, J. C. Penney, New York, would entail the immediate sacking of 230 workers in addition to the pensioning-off of a further 800. Here again both union delegates and workers alike were presented with a *fait accompli*.

In that same month, October 1981, the US-owned multinational 'Allied Chemical' decided to close down its car seat-belt manufacturing subsidiary, 'Klippan', in Ieper, Flanders, thus laying off its 500-strong workforce. And this took place unilaterally, without any prior information, leaving no hope for negotiations or consultation.

No doubt this litany of woes is getting boring, Mr President. Just as boring as the misery and despair of the many thousands of families who, within the space of a few short years, have seen unemployment and desperation staring them in the face as a result of decisions taken in far-off lands by the board of directors of one or other mammoth concern or holding.

Thus you will appreciate that I had seen in the Commission's original version of the draft Vredeling directive a first glimmer of respect for employment. However, this completely watered-down version, which went through Parliament without the support of the Socialist Group, no longer fulfils my expectations.

In the hope that the Commission will elaborate and submit to the House a new resolution regarding a compulsory code of behaviour for multinational concerns in the near future, I have decided to abstain during the voting on this Spencer resolution.

BEUMER REPORT (Doc. 1-789/82 — Tobacco): ADOPTED

The rapporteur was:

- IN FAVOUR OF Amendment No 1;
- AGAINST Amendments Nos 4, 5, 6, 7, and 8.

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VIÉ REPORT (Doc. 1-793/82) — Law of the Sea): ADOPTED

The rapporteur was:

- IN FAVOUR OF Amendments Nos 1, 3, 7, 13 and 22;
- AGAINST Amendments Nos 2, 5, 6, 9, 10, 11, 12, 14, 15, 16, 17, 19, 20, and 21.

Explanations of vote

Mr Tyrrell (ED). — Mr Vié's report deals with the question of whether the Community should sign the Convention on the Law of the Sea on behalf of the Member States and, if so, which parts it should sign. What the House has unhappily done today is to adopt amendments which recommend that the Community should sign and which recommend all the Member States to sign. In fact this question has never even been considered by the Legal Affairs Committee or any other committee. It is a difficult and complicated question and there are times when I think that the House behaves with a quite extraordinary irresponsibility. This is one of those occasions. I regret therefore that I cannot recommend my group to support this report which otherwise, in other circumstances, we would have been only too happy to support.

Mr Plaskovitis (S). — (GR) Mr President, I believe it is essential for the Convention on the Law of the Sea to be signed by as many countries as possible and by a majority of the Community's Member States. The Convention has already been signed by 119 countries, among them 5 Member States. When signing the Convention, the representative of the Greek Government annexed a statement to the effect that Greece transfers to the Community competence in certain matters that do in fact fall within the scope of the Convention. The Community is hence authorized to sign the Convention by virtue of the nature and scope of this competence. I believe that by doing this Greece has made a real contribution to Community objectives. Moreover, I think that if the Community signs the Convention, it will be making a constructive contribution to the better development of North-South relations and will benefit the interests of the less-developed countries of the Third World.

Therefore, notwithstanding certain reservations, we shall vote in favour of Mr Vié's motion for a resolution.

Mr Lomas (S). — I shall abstain on this report because I have very strong reservations about the paragraphs on the role of the Community. But I am in favour of countries signing the Convention as quickly as possible. It is not perfect but it is a step in the right direction and I believe will mean a much fairer deal, particularly for the poorer countries in the world. I gather the Members opposite will vote against this. We certainly know that the British Government, as usual these days in a minority amongst the world's nations, once again acting as an echo for the American Government, is against signing the Convention. It seems that they are worried about the effects it will have on the profits of their friends, the multinationals, who exploit the seabed. But I have got good news for the Parliament, because when the Labour Party wins the next general election in Britain, we shall sign the agreement and we shall ratify it.

Mrs Vayssade (S). — (FR) Mr President, although the procedure has already been set in motion and since there is still time for Parliament to deliver its opinion to the Council and Member States on the procedure for the signing by the EEC of the Convention on the Law of the Sea, I and all my French Socialist colleagues favour adoption of the report by Mr Vié. Even if the Convention is imperfect, it does have some highly positive aspects: the definition of a common heritage of mankind and the concerted control of the resources of the sea, a new North-South relationship, a classification and redefinition of the rights of coastal States.

The present juridical situation is one of deadlock between the Community and the Member States. There is a risk of conflict between Community law for the exercise of the authority already transferred by the Treaty of Rome and the countries which refuse to sign the Convention. Given the amendments which have been adopted, the report by Mr Vié represents a start towards new solutions and makes recommendations which will enable the whole matter to be followed up. That is why I shall vote in favour.

Mr Moorhouse (ED). — Mr President, in making my statement I have to declare a limited interest. The present situation regarding the Law of the Sea is, as we know, the outcome of many patient years of negotiation. Without a doubt there is a great deal in the Convention which should receive the wholehearted support of the Member States of the Community. It is only a matter of regret that some of the provisions concerning deep-sea mining leave a great deal to be desired. Indeed, as we have heard to date, only five Member States have indicated their intention of signing the Convention. It is for this reason, I feel, that I have to reserve my own position and with regret vote against the excellent report by Mr Vié. Fortunately, we do have a breathing space of two years before the Convention has to be ratified. I firmly believe we must make the most of that opportunity to secure changes to the Convention which will help to set up a better framework for deep-sea mining.

Mr Habsburg (PPE), in writing. — (DE) Mr President, the Vié report is a valuable legal document, and I therefore have no hesitation in approving it.

The debate sometimes created the impression, however, that approval of the report would mean approval of the contents of the draft Convention, that it would exert moral pressure on those European governments which have refused to sign the draft. I feel it should be made quite clear that neither of these contentions is true.

My vote for the Vié report, therefore, does not mean that I do not with conviction endorse the decision of the German and British Governments not to sign. I feel these two governments have done the cause of Europe a greater service than those who believe a convention must be approved simply because it has the support of many members of the UN. The convention has its good sides, but they are outweighed by the bad. Title XI in particular is dangerous for Europe's future. I trust in the good sense of our people and their representatives and therefore believe that the serious objections to the Convention will have an effect in a debate strictly on the merits of the case.

Mrs Pery (S), in writing. — (FR) Ladies and gentlemen, Mr President, the third United Nations Conference on the Law of the Sea was held in Jamaica on 7 to 11 December. The final act of the Convention which is the outcome of many years of work defines zones of sovereignty (12 miles, 200 miles and the international zone) and a new world economic order for the benefit of mankind as a whole and in particular of the developing countries. By the same token this new Law of the Sea is a factor for peace and better North-South equilibrium in the fisheries sector and in that of oil and mineral resources. That is why the EEC as such must sign the Convention just as France has done. I shall therefore vote in favour of the two reports by Mr Vié and Mrs Spaak.

However, difficulties remain. Some Member States, and not the least among them, find this Convention too constraining and have not signed it. A preparatory committee is to be set up to prepare the regulations, arrange more flexible procedures and define the respec-

tive financial contributions of the signatory countries. Depending on the results achieved, the Member States and the EEC will then decide whether not to ratify the Convention.

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SPAAK REPORT (Doc. 1-688/82 — Deep seabed): ADOPTED

The rapporteur was:

— AGAINST all the amendments.

Explanations of vote

Mr Johnson (ED). — I want to be silent, Mr President, on the very significant issue of whether or not Member States should or should not sign the Law of the Sea Convention — that is something you have already discussed in the context of the Vié report. I do not speak for the group — let me be quite clear about that. Were I to speak on that subject I would not be speaking for my group because I personally deeply believe that the Community should be a party to that Convention and that individual Member States should sign it. But that is my personal opinion.

In speaking for the group I address myself to those other aspects of the Spaak report, which we in this group do indeed favour because we are concerned that the interests of the environment should be protected, should be looked after where the matter of seabed mining is concerned. There is a real danger, and this has been brought to the notice of this House before, that as far as that great expanse, which is known as inner space is concerned, there could be a scramble for the riches of the ocean bed which would make the scramble for Africa which we saw in the last century pale into insignificance.

Now, of course, there are countries represented in this chamber today who participated in the scramble for Africa in the last century, and look what a mess they made of it — some of them. If there is to be a scramble at all, it has to be an orderly scramble.

(Interruption)

Now in the event — let us be quite clear about this — that there is not to be the signing by a large number of Member States of this Convention, the need for Community rules becomes all the more important. That is perfectly obvious. You cannot have different Member States in the Community having different regimes. Let us see what we have got already! We have a deep-seabed mining provision in Britain, in Germany we have the Schutz...

(The President urged the speaker to conclude)

Well, I have three more seconds, two more, one more... I have finished, Mr President.

(Applause from the European Democratic Group)

Mrs Théobald-Paoli (S), writing. — (FR) The two reports on the Law of the Sea and the seabed were the subject of a joint debate yesterday because they relate to the same topic.

They are of fundamental importance to the Community. Two Member States, including France, will be granted zones of economic influence covering an area equivalent in each case to that of the USA.

This Convention holds out the prospect of an Eldorado of science for mankind. It sets up a new Law of the Sea founded on a principle of greater equality between all the States in the distribution and utilization of the resources of the sea.

We approve the statute for maritime space which preserves freedom of navigation, particularly in straits.

The Convention also represents a perfectly acceptable compromise between the interests of the coastal States and those of the maritime powers for the preservation of the marine environment.

Even if the arrangements applicable to the international seabed have certain imperfections and shortcomings, they can be corrected by the measures which will be taken for the implementation of the Convention.

The countries of the Community are directly concerned in the establishment of arrangements for exploitation of the seabed, since their industries depend on external sources of supply. It is imperative for them to be allowed to participate in the definition of regulations for implementation of the Convention so as to improve its provisions and make it acceptable to the entire international community, particularly the United States.

And if the EEC countries are to make their voices heard, it is essential for a Community position to be clearly defined on the strategy to be followed by the preparatory committee.

To avoid the nuisances which might result from the exploitation of mineral nodules, the preservation of the marine environment will be our second objective.

That is why it is vital to avoid anarchical exploitation of the seabed.

Definition of exploitation and preservation of the seabed are our two objectives. The Convention must be signed if they are to be attained.

That is why I shall vote in favour of the excellent report tabled by Mrs Spaak and also in favour of that by our colleague, Mr Vié.

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BARBARELLA REPORT (Doc. 1-991/82 — Budget): ADOPTED

The rapporteur was:

- IN FAVOUR OF Amendments Nos 6, 7 and 14;
- AGAINST Amendments Nos 2, 10 and 11.

Explanations of vote

Mr Cousté (DEP). — (FR) Mr President, this supplementary budget constitutes a trial for our Community because it seeks to eternalize the system of financial compensation which the EPD group has always strongly opposed.

The European Community is sailing through a severe storm at present, but the answer proposed by our Member States to the challenges confronting them is derisory. There is a lack of determination and of Community spirit and nothing more than clever arrangements from one day to the next. When the need for a Community spirit and a true Community concept is the greatest, we see only protectionist or anti-protectionist tricks. At a time when we should be building new common policies we are resorting instead to crude bargaining, to compensatory refund arrangements for some countries or others, but for some in particular. At a time when food supplies for Europe are at stake we only hear talk of weakening the common agricultural policy.

Our group, which has always denounced the mandate of 30 May, now sees its most pessimistic forecasts turn into reality.

The Council of Ministers and the Commission alike have proved incapable of holding up the tendency to move towards the system of the 'fair return' which we have constantly denounced. Although it has been shown that the United Kingdom has received far more money than had been intended in 1980 and 1981, the governments of the Member States decided on 25 May last to give more than 1 000 million ECU more to the United Kingdom and 210 million to the Federal Republic of Germany.

We are thus embarking on an absurd logic which leads to negation of the true Community. In face of the impotence of the Council and Commission our Assembly is the only bulwark which remains to protect the Community. It has a duty to call upon the Council to put an end to this system of compensation. Our only weapon is rejection of the supplementary budget, which can only be done on second reading. That is why the EPD group is opposed to the very principle of supplementary budgets but supports the amendment by the rapporteur, Mrs Barbarella, with the sole purpose of bringing about a second reading.

Ladies and gentlemen, rejection of the supplementary budget will put an end to a trend which is dangerous for this Community. We shall be making a stand for the salvation of the Community — an action which history will record to the credit of this Assembly.

Mr Baillot (COM). — (FR) Mr President, in my speech this morning I gave the opinion of the French Communists and Allied Members on supplementary and amending budget No 1 for 1982. We tabled two clear amendments aimed at abolishing the supplementary measures of 1 092 million ECU for the United Kingdom and 210 million ECU for the Federal Republic of Germany. We regret the fact that those amendments were not accepted. However, rejecting the all or nothing approach, we shall vote in favour of the proposals by our colleague, Mrs Barbarella, even if we do not fully endorse the action taken by the Committee on Budgets as regards the classification of expenditure and the conditions for controlling its use. We shall therefore once again cast a clear vote. As I said this morning, we want to put an end to the policy of a fair return in favour of the United Kingdom; we have been criticizing that policy since 30 May 1980, but the Commission is now proposing to extend it at least until 1985 and indeed to include a second country as a beneficiary.

Mr Balfour (ED). — My group has supported all of the paragraphs in Mrs Barbarella's report except for one, No 7c, and we only abstained on 5 because it is incomprehensible in English. We have shown that we dislike *ad hoc* arrangements, that we want a permanent solution or, as Mrs Barbarella calls it in paragraph 6, a mechanism for ensuring financial balance, and that these special measures should be implemented in the context of existing common policies. But we do not accept that classification of these special measures should be non-obligatory, or that a new regulation is needed, especially one which seeks to withhold 50% of the rebate as a kind of penalty, as if for bad behaviour. We expect the report will be voted through. It would be consistent with the amendments already passed. How then should we, the British, take this? Should we take this as an anti-British vote? Or should we take this as an effort to strengthen the hand of our negotiators tomorrow? I hope to convince my colleagues that we should resist the temptation to accept this as an anti-British vote.

(Applause)

Even if the press will do so back home, we should consider it instead as a massive message to the Council of Ministers to end these *ad hoc* arrangements and finally to find a permanent solution to the Community budget crisis.

So we wait for tomorrow and we wait for Thursday's vote, not without apprehension. We wish our conciliation team all success. We look to the Council to come at least some way towards Parliament's position so that the legitimate budgetary authority of this House is respected by the Council, and so that the Council's and the Community's obligations to European taxpayers in Britain can be properly discharged.

(Applause)

Mr Junot (DEP), in writing. — (FR) I am grateful to the Committee on Budgets for the efforts made by it to avoid an excessively brutal conflict between Parliament and the Council on the supplementary and amending budget. We support the amendments proposed by it.

However, I also want to underline one particular disturbing aspect of this document. It is intended in large measure to implement action to provide compensation for the United Kingdom and a special energy development programme for the benefit of the Federal Republic of Germany. The amounts needed for this are essentially to be financed by the budgetary surplus resulting from savings made in the agricultural sector.

This amending budget is the financial and institutional reflection of the ill-conceived mandate of 30 May.

These measures should in theory be exceptional; instead they are to be made permanent, thus establishing the rule of the 'fair return' and disregarding the Community spirit. The contagion is spreading. Following the United Kingdom special treatment is to be given to the Federal Republic. Aware of the danger, the governments of some Member States feel bound by the political commitments which they have given.

Free and responsible parliamentarians like us should not be faced with that situation. The European institutions derive their very existence from the Treaty of Rome. We cannot agree to its fundamental rules being disregarded.

To safeguard the cohesion and development of the Community institutions we therefore call upon the Assembly to reject the principle underlying the supplementary and amending budget submitted by the Council.

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KONRAD SCHÖN REPORT (Doc. 1-959/82 — ECSC): ADOPTED

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SITTING OF WEDNESDAY, 15 DECEMBER 1982

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IN THE CHAIR: MR DANKERT

President

(The sitting was opened at 9 a.m.)¹

1. Agenda

President. — The Commission has informed me that it has not been able to arrive at any decision on agricultural prices. It will not therefore make any statement.

¹ Approval of the minutes — Documents received — Referral to committees — Delegation of the power of decision to a committee: see Minutes.

Mrs Castle (S). — After that very surprising news, Mr President, can you tell me whether the Committee on Agriculture is still meeting to hear a non-existent statement?

President. — Mrs Castle, we decided I think on Monday that we would have a quarter-hour introduction here in the plenary and then the Committee on Agriculture would meet so if the Members go to the right room they will not hear a statement.

Mr Gautier (S). — (DE) Mr President, can you inform us whether the Commission will take its decision in the course of this week and then be able to make a statement tomorrow or Friday morning? Or shall we once again have to learn of the Commission's statements via the press?

President. — Mr Gautier, I have been informed that the Commission is not in a position to make any statement during this part-session.

Mr Pannella (CDI). — (IT) Mr President, I do not think that the powers and duties of this Parliament to give guidance and exercise vigilance can be held up simply because the Commission — whether maliciously or not — is once again placing us in a situation that we have already strongly deprecated in the past.

I hope, Mr President, that the Parliament will do its duty regardless, and that the Committee on Agriculture will meet, so that our proposals can be dealt with in the normal way.

Mr Curry (ED), chairman of the Committee on Agriculture. — Mr President, I cannot say that I can enlighten the House, but I can inform the House, and there is a difference between the two.

I have just come from the Agriculture Commissioner. The Commission will resume its discussion on prices at its informal meeting of next week with a view to reaching a decision on Tuesday of next week. Therefore it seems to me there is little point in holding a meeting of the Committee on Agriculture simply to listen to one another. However, I must say that it seems curious that the Commission — I do not say necessarily the Commissioner, but one of the Commissioners — should not be in this Chamber simply to state why they are unable to conform with the agenda as we planned.

(Applause)

I do not think, Mr President, that it falls within your responsibilities to make announcements for the Commission — I think the Commission is perfectly capable of making its own announcements. And I can understand that the Agriculture Commissioner is fed up to the back teeth with the whole business, but I cannot see why one of his colleagues could not simply make the statement that he is not in a position to fulfil the terms of the agenda.

President. — Mr Curry, I was informed by the Commission that they were not able to deliver a statement as promised. I believe then that I have the responsibility for the agenda and I have to inform the House that there was no statement on agricultural prices.

Mr Provan (ED). — I think a lot of Members have said a lot of things that were in my mind when I heard your initial statement, but I do believe that the Commission have not in fact assisted us at all this morning, because we had a hard-and-fast timetable from the Commission that we as a Parliament and we as a Committee on Agriculture were working to. And I think

they might at least have the respect and the decency to have given you an alternative timing on which we would, in fact, have proposed a new programme of work, so that we can meet the deadlines that we have to as a Parliament.

President. — I have three further names on the list but we are not having a debate now on why the Commission did not appear. So may I ask the others to withdraw, unless it is purely on procedure.

Mr Pranchère (COM). — (FR) Mr President, on behalf of the French Communists and Allies, I should like to make a strong complaint about the unacceptable behaviour of the Commission, because we know its proposals have already been reported in various reviews. It is not taking us at all seriously.

I ask you, Mr President, to suggest to the Commission that such behaviour is not repeated. I believe it was perfectly possible for the Commission to tell us about the step it took — we know about it, in fact, and we condemn many aspects of it.

Mr Sutra (S). — (FR) Mr President, as things stand, the institutions of the Community have only been given one proposal — the one from our Parliament. We should be most satisfied that it gave an opinion on the Mouchel report last month and, bearing in mind the Commission's failure, this should help those of our colleagues who triggered off a huge procedural argument to prevent the Mouchel report from being discussed in a plenary sitting and to prevent us from giving an opinion on it.

I for one am very pleased that Parliament has given its opinion, as it is the only institution of the Community to have helped things progress in this field.

2. Council statements (Danish presidency and political cooperation)

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

- the statement by the President-in-Office of the Council on the six months of the Danish Presidency,
- the statement by the President-in-Office of the Foreign Ministers meeting in Political Cooperation on political cooperation.

Also included in the debate:

- oral question (Doc. 1-913/82) with debate by Mrs Macciocchi, on behalf of the Socialist Group, to the Council:

President

Subject: Franco-German cooperation in the context of EPC on relations between Europe and the United States

The Franco-German declaration which was published at the end of the meeting between President Mitterrand and Chancellor Schmidt in Paris on 25 February 1982 states that relations between the United States and the other members of NATO 'will be even closer if, in due course, broad-based consultations aimed at defining common objectives and achieving better adjustment of interests take place between Europe and the United States'. At the same time, the declaration also announces that France and West Germany 'have decided that an in-depth exchange of views on security problems will be organized between the two governments'.

Can the Council indicate the context and objectives of the organization of consultations between Europe and the United States? Should the European Community not be involved in these talks as the most active member of the 'European mainstay' of the Alliance? Nevertheless, do the Franco-German talks on security not prejudice the desired result? Would it not be possible to begin by trying to establish the 'European mainstay' on a multilateral basis in order to avoid creating bilateral axes within Europe in this field?

- oral questions (Doc. 1-984/82 and Doc. 1-985/82) with debate by Mrs Carettoni Romagnoli and others, on behalf of the Communist and Allies Group, to the Council and the Commission:

Subject: EEC action with regard to North-South relations and the fight against hunger in the world

- whereas the developing countries have been particularly hit by the crisis, their food situation has worsened and the problem of hunger is growing more acute,
- having regard to the breakdown or very inadequate results of international negotiations (global negotiations, product agreements) aimed at establishing more equitable relations between North and South,
- having regard to the EEC's commitments towards the developing countries and its substantial resources,
- whereas the EEC's approach has so far failed to measure up in practice to its declared intentions or its commitments towards the developing countries,
- whereas a conciliatory attitude is being maintained towards the parties which are blocking the negotiations, and an attitude of confrontation *vis-à-vis* the commodity-exporting countries,

Does the Council Commission not consider that the EEC should, without any further delay, take action to:

- open global negotiations;
- ensure that fair agreements are negotiated for commodities, and that the Common Fund is implemented;
- arrange immediate aid utilizing the available resources to meet the needs of the people, to relieve the plight and save the lives of those who are suffering?
- oral question (Doc. 1-989/82) without debate by Mr Fergusson to the Commission:

Subject: Banning of Polish Trade Union Solidarity

What has been the result of the Commission's deliberations, alluded to by Commissioner Narjes on 15 October 1982 in the European Parliament, on the most appropriate response by the Commission to the banning of the Polish Trade Union Solidarity?

- oral question (Doc. 1-990/82) without debate by Mr Fergusson to the Ministers of Foreign Affairs of the Ten Member States of the European Community meeting in political cooperation:

Subject: Banning of Polish Trade Union Solidarity

Do the Foreign Ministers meeting in political cooperation consider that the banning of Solidarity renders necessary the 'fundamental re-assessment' of economic and other relations with the USSR and Eastern Europe foreshadowed by the Deschamps Report (Doc. 1-436/82)? Is this fundamental re-assessment being carried out?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) Mr President, ladies and gentlemen, it is a great pleasure for me to speak to you here in the European Parliament on the development of Community cooperation under the Danish Presidency.

There is no reason to hide the fact that in the second half of 1982 the international situation has been characterized by considerable difficulties. They are chiefly problems of a world nature: the economic recession which is affecting all countries; international trade policy; the endeavours to maintain international détente.

I would like to start my report with the economic and social situation. This has been given priority in the Community's work over the past six months. That was only natural. Even though there are some positive aspects, e.g. a falling inflation rate, we have to recognize that the economic recession has gradually bitten

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deeper. This is reflected in stagnating production, increasing unemployment, balance of payment deficits and problems in administering national budgets in the Member States.

At the meeting in November the Ministers for Economic, Financial, Labour and Social Affairs managed to work out conclusions which the Presidency feels provide a good basis for further work.

These conclusions may be said to involve two fundamental aspects. In the first place, efforts to re-establish the stability of national economies by reducing a number of the imbalances and short-comings which have emerged in recent years. And secondly, a direct and more concrete effort towards increasing the level of investment. This means productive investment aimed first and foremost at research, technology and energy. There is a close link between an effort in these areas and the long-term survival capacity of Community industry as well as our level of competitiveness in the shorter term.

I would refer here to certain concrete measures to promote investment mentioned in the conclusions of the meeting of the Council on Economic and Financial Questions on 15 November. Each Member State is to take the necessary measures to increase the profitability of undertakings, improve the situation of small and medium-sized undertakings, restructure public expenditure in favour of productive expenditure, and reduce the national budget deficits in order to reduce the interest burden and thus channel more capital into productive investment.

The Commission will continue to assess suitable fiscal and financial measures with a view to submitting any conclusions to the Council in the first half of 1983. Existing aid arrangements are to be improved while ensuring that they are compatible with the aid and competition provisions of the Treaty and do not interfere with the proper functioning of the common market.

As regards the labour market and social problems it is in particular the situation of the young which attracts attention. Both economically and socially, and in the longer term also from the point of view of society, this is a vital problem. An economic upturn would help to solve it, but there is also a need for more concrete efforts. The Council is committed to ensuring over the next five years that all young people entering the labour market for the first time have the opportunity of vocational training or initial work experience.

The Council has likewise discussed possibilities for a reorganization of working time in order to improve the economic and social situation. It is agreed that this approach can under certain conditions help to improve the employment situation, particularly if means of production are used more flexibly.

Similarly a revision of the rules of the Social Fund could help to make efforts to combat unemployment within Europe more effective. The Commission submitted proposals on this in October 1982.

The internal market is one of the cornerstones of Community activity. Rapid progress towards completion of the internal market is an essential factor in the economic development of the Community. The Council is agreed that appropriate work programmes should be established, covering technical standards, company law, certain services and internal frontier formalities. I have no doubt that strengthening the internal market will be an important factor in the efforts to bring about an economic upturn. All the Member States depend to a very great degree on international trade.

The situation on the steel market continues to be difficult. Steel policy is still based on the same principles as before. There have however been adjustments to the specific arrangements regarding the development of production and outlet conditions on the market. At the same time there is an acknowledged need for social measures to facilitate the necessary adjustment. This is being given practical effect in transfers from the Communities' general budget to the ECSC.

Vis-à-vis the rest of the world, there have been two important results in the steel sector. Firstly, there is a steel arrangement between the Community and the United States, governing the Community's share of the US steel market. That arrangement led to the US steel industry withdrawing its complaint. An imminent trade war in this sensitive area was thus averted. A mutually satisfactory solution was found to a difficult and serious problem in relations between the Community and the United States.

Secondly, guidelines have been laid down for the Commission's brief for negotiations to extend in 1983 the exchanges of letters with fourteen countries which export steel to the Community. The aim is to achieve a fair distribution of the economic burden. It is therefore intended to reduce imports from these countries in 1983 by 12.5% compared with imports in 1980.

In connection with the Community's common energy policy, considerable efforts have been made to establish a common coal policy. The Community's Energy Ministers will be attempting, at an informal meeting in Copenhagen tomorrow, 16 December, to achieve agreement in principle on the guidelines for the Community's future policy on the production, import and consumption of coal and solid fuels in the Member States. A proposal concerning financial support for, among other things, demonstration projects in the fields of alternative energy sources, energy saving and the replacement of hydrocarbons was in principle approved by the Council in November. Formal adoption is planned for the beginning of 1983.

In the research sphere, I would like to refer to the progress made with regard to adoption of the ESPRIT

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programme. This involves the implementation of pilot projects to develop information technology in areas of importance for the high-technology industries.

The most important decision taken by the Council of Agriculture Ministers under the Danish Presidency was the decision to change the market organization for wine, on which agreement was reached in July within the framework of the negotiations on the *acquis communautaire*. The adoption of this document strengthened the market organization considerably and enabled the negotiations on the accession of Spain and Portugal to the EEC to be advanced considerably.

Within the framework of the *acquis communautaire* the Agriculture Ministers conducted intensive negotiations on fruit, vegetables and olive oil. Although the problems in these sectors have now been clearly outlined, no agreement was reached on certain much needed changes.

The sale of butter to Community consumers at reduced prices, the so-called Christmas butter, got underway this year after it had been agreed upon in the Council by the Agriculture Ministers.

Furthermore, on a more technical level, 40 to 50 regulations and directives were adopted during the Danish Presidency.

These concerned changes and modifications in the market organization as well as harmonization in the field of veterinary medicine.

Negotiations on the common fisheries policy, which have been going on for years, have been stepped up considerably under the Danish Presidency, especially in recent months. The negotiations have been extremely difficult. No final result has yet been achieved. At the Council meeting planned for 21 December discussions will continue with a view to reaching agreement on a common fisheries policy. I hope that they will succeed.

The agreement in principle reached by the Ministers for Foreign Affairs on 24 and 25 May 1982 on a special budget arrangement for the United Kingdom for 1982 was finally given tangible form at the meeting of the Ministers for Foreign Affairs on 26 October after lengthy and complicated negotiations. The discussions on a succeeding solution began last week.

Tomorrow Parliament is to carry out its second reading of the draft supplementary budget concerning the budgetary implementation of the special measures in favour of the United Kingdom, and the draft budget for 1983. I hope that Parliament will be able to approve the supplementary budget in the form proposed by the Commission. It is of crucial importance for the Community that the budgetary consequences of the special measures should be carried through as planned.

In the case of the 1983 budget the budget procedure has been characterized by frank and unprejudiced cooperation between Council, Parliament and Commission. I hope this will mean that, for the first time in five years, the Community will be able to have a valid budget which is not contested by any of us. This will be proof of the political responsibility and sense of reality of all involved.

My predecessor reported to Parliament on 7 July 1982 on the discussions on the German-Italian proposal for a European Act. Discussions have been continuing since then, and some progress has been made. The Member States are agreed that cooperation should be given a fresh impetus. However, a number of important points are still outstanding, including, above all, the question of the right of veto when vital interests are at stake, relations with the European Parliament, a subject which has not yet been discussed at ministerial level, and a final decision on adjustments to the Treaty within a specified period. Discussions on the proposal will continue in 1983.

The accession negotiations with Spain and Portugal have made some progress, although there are still important problems to be resolved. In the case of Portugal the negotiations have been concluded on five major chapters — customs union, ECSC, external relations, right of establishment and fiscal questions. The transitional arrangements for Portugal's exports of textiles can be regarded as an especially important achievement. In the case of Spain, further progress has likewise been made in individual sectors. However, we are not very much nearer to a solution on the main problems outstanding — that is to say primarily agriculture and finance — and these must continue to be regarded as particularly difficult. It is nevertheless encouraging that all the Member States have reaffirmed their political will to bring the negotiations to a successful conclusion.

It has to be said that the international situation in the last six months has not been without its problems. It is therefore a tribute to the strength of international cooperation and to common sense that in the main the problems have been resolved before they developed into real crises.

Earlier on I referred to the steel arrangement between the Community and the USA. I could also mention the case of the Siberian gas pipeline. Earlier in the year the Presidency and the Commission made representations to the US Government, setting out in detail the arguments for the European point of view. On 13 November 1982 the President of the United States lifted the US sanctions. This was a good and positive step for all concerned.

The recent GATT Ministerial meeting clearly showed that there are a number of problems in international trade. There is a threat of protectionist measures being introduced. Against this background it is satisfying to

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note that the GATT Ministerial meeting resulted in a general rallying round the international trade system and a backing off from protectionism.

Endorsement of the international trade system was not achieved without the Community having to stress very strongly its views on conditions in the agricultural sector.

The result earlier achieved in this area, particularly with the conclusion of the Tokyo Round, must not be undermined or thrust aside. This is the position that the Community will also defend in the future. The Community cannot accept the US view and US criticism of the common agricultural policy. This was made clear on several occasions to our American friends.

There has continued to be a negative balance of trade with Japan. A number of attempts have been made to redress this balance. These will continue. It is desirable that the yen should find a more realistic level on currency markets, in line with the developments that have recently been noted. There is also a need for progress and adjustment in the commercial policy sector. The Council has been keeping a close eye on developments by monitoring imports from Japan in certain particularly sensitive sectors. At the same time the Community is pursuing its attempts in GATT to obtain an opening up of the Japanese market.

As regards cooperation with the EFTA countries, the Council approved a statement in July on the importance of cooperation; this was then submitted to the EFTA countries on the occasion of the tenth anniversary of the signing of the Free Trade Agreements. To the benefit of both the Community and the EFTA countries the Council, after several years of negotiations, approved a proposal for the simplification of the rules of origin in Protocol 3 to the Agreements.

The situation with regard to the developing countries has been largely marked this autumn by discussion of the Commission's memorandum on the Community's future development policy. The proposal for a more coordinated strategy for Community cooperation with the third world led to thorough discussion in the Council, both on and off the record. In its discussions the Council recognized the need for increased resources for development aid. It is anticipated that the Commission will be able to submit a concrete proposal concerning Lomé III at the beginning of 1983.

The Community has held negotiations on textiles with a number of exporting countries with a view to arriving at satisfactory bilateral agreements. These will in all probability enable the Community to go ahead with approval of the MFA. The bilateral negotiations are almost complete and the conclusion of satisfactory agreements is expected with all the exporting countries before the end of the year.

Relations with Asia and Latin America have been strengthened. To quote a specific example, the decision to grant further aid to a number of Central American countries. Another example is the framework agreement for cooperation with Brazil that came into force on 1 October.

The fight against hunger in the world has continued to be a priority goal. The Community is endeavouring to pursue this goal in its aid programmes and not simply in the food aid programme. Discussions are continuing on the implementation of the plan of action to combat hunger in the world. The Council is aware of the importance which the European Parliament and others attach to this question.

In this connection I should like to answer the question put by Mrs Carrettoni Romagnoli amongst others on the role of the EEC in North-South relations and in the fight against world hunger.

Taking as my starting point the ideas on Community development policy contained in the oral question, I think it appropriate to make a few general remarks on the way in which Community development policy is put into practice.

Ever since the principle of North-South relations was unanimously approved in December 1979 by the General Assembly of the United Nations in Resolution 34/138, the Community has always stressed the importance of these negotiations and its anxiety to get them underway as quickly as possible. The Community has also spared itself no effort either in the United Nations consultations or, for example, at the Summit Meeting in Versailles in June. It was a source of great satisfaction that all the participants at this Summit Meeting looked upon the initiation of wide-ranging negotiations as an important political goal and that they are convinced that the most recent draft resolution of the Group of 77 on this matter forms a secure basis for consultation with the countries concerned.

It is to be regretted that no agreement could be reached on a date for the beginning of these negotiations. The Community hopes, however, that this can be agreed at the present meeting of the 37th General Assembly of the United Nations.

The Community and its Member States have also been playing a leading part for quite some time now in the matter of international agreements on raw materials. They are parties to the Convention on Food Aid and almost all the existing agreements on raw materials. In the case of the agreement on sugar, the only one to which the Community is not yet a party, contacts are being established in order to pave the way for future participation. In the meantime, the Community is taking its own independent measures to help to bring order to the world market.

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Furthermore, the Community is taking an active part in the negotiations on the other products included in the UNCTAD integrated programme. As far as common funds are concerned, the Community and all its Member States have signed the agreement and the ratification procedure is either completed or about to be completed.

In the case of wheat, which is rightly regarded as the key product in the struggle against world hunger, an international agreement with effective economic provisions will also help greatly to stabilize the food situation. This is why the Community is making determined efforts to see that negotiations on the drawing up of such an agreement are continued.

The Community has at its disposal special resources for the purpose of giving immediate aid to peoples hit by natural disasters or other extraordinary circumstances with equally fateful consequences. According to the circumstances and needs in each individual case, this aid is given either as emergency food aid, emergency aid under Title 950 of the 'Commission' section of the budget or as disaster aid under Article 137 of the Lomé Convention. This emergency aid is primarily intended to alleviate the hardship of refugees and displaced persons in the developing countries. It is distributed amongst the peoples concerned by the governments of the countries in question, but also in many cases through humanitarian organizations such as the Red Cross, the United Nations High Commission for Refugees or certain non-governmental organizations. Every effort is made to get the aid measures underway as quickly as possible, to cut transport times as much as possible and to ensure that the aid really does get to those who are most in need of it.

During the Danish presidency the political cooperation among the Ten has been marked by international tension and conflicts. I refer not least to East-West relations, which must in particular be seen against the background of developments in Poland and the situation in Afghanistan, and to the situation in the Middle East. These problems, along with a number of other important international issues, are described in the 1982 annual report on European political cooperation (EPC), which the Presidency has just distributed to the Honourable Members.

As time does not allow a detailed account of all the political questions which have been discussed by the Ten during the Danish presidency, I would refer you to the aforementioned report and confine myself here to some of the most essential international issues which have engaged the Ten's active interest during the last six months.

The adoption of the Foreign Ministers' report on political cooperation on 13 October 1981 in London (London Report) means a strengthening of the existing procedures and mechanisms for political cooperation through a number of innovations which have been

successfully introduced. Thus the 'crisis' procedure has been applied in several cases, and assistance to the sitting Presidency from the preceding and succeeding Presidencies has been of great value in ensuring continuity in political cooperation.

As pointed out in the London Report, the Ten have noticed increasing interest on the part of a number of third countries in establishing closer contact with the Ten. The Ten have reacted positively to such approaches. Moreover, within the framework of political cooperation regular contacts have been established with the applicants for membership of the Communities, Spain and Portugal. I can state here that on the occasion of the Foreign Ministers' political cooperation meeting in Brussels on 23 November the Foreign Ministers of the Ten met the Spanish and Portuguese Foreign Ministers, and in my capacity as chairman I reported on the latest developments in European political cooperation. Furthermore, two meetings took place with Spain and Portugal at political director level during the Danish presidency. This procedure should be seen as a preparation for these two countries' full participation in EPC on their accession to the Communities.

In addition, the Ten attach special importance to relations with the USA and have emphasized the need for continuing and thorough consultations.

Both my predecessor as Danish Foreign Minister and I myself have had talks with our US counterpart during the Danish presidency, and the first meeting of its kind between the political director of the Presidency assisted by the political directors of the previous and the subsequent Presidencies and senior officials from the United States took place in September 1982. Most recently, on 13 December, the President of the European Council had talks in the United States with President Reagan and other senior leaders in the American administration. A desire had been expressed on both sides to continue and extend these consultations, which are clearly of interest to both partners.

In this connection I should like to answer Mrs Macchiocchi's question on Franco-German cooperation within the framework of EPC (European Political Cooperation) and link it with the whole question of relations between Europe and the USA. I may say first of all that the Ten do not discuss defence problems within the framework of the EPC. As was mentioned in the London Report, it was agreed to retain the flexible and pragmatic procedure which enabled certain important foreign policy questions relating to security to be discussed. It is by now a well-established fact that the Ten exchanges views with the USA only on topics that have already been discussed in EPC. With regard to contacts between the Ten and third countries well-established procedures have already been laid down for dealing with such topics. With the USA, for example, close and frequent contacts are always maintained in advance. In this connection I should like

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to refer to my remarks on the subject of consultations with the United States in the report which I have already given.

Relations between East and West have unfortunately suffered serious setbacks in recent years. This has led to a worsening of the international climate. The cause of this difficult situation must be sought *inter alia* in the massive Soviet military build-up, the Soviet Union's continued occupation of Afghanistan and the tragic events in Poland since December of last year. Nevertheless, the important thing now as before is to overcome the atmosphere of mistrust which surrounds relations between East and West. Respect for the principles of the UN Charter and the Helsinki Final Act must be restored. In our view, mutual trust between the parties can only be built up again through an open and genuine dialogue between East and West.

The Ten have already shown their readiness to work for a more positive development of East-West relations, and they urgently call on the Soviet Union to demonstrate a similar inclination. The attitude of the new Soviet leadership will therefore be crucial in determining how East-West relations develop.

Both before and after the resumption of the Madrid Conference on 9 November, the Ten sustained their efforts to secure agreement on a substantial and balanced concluding document. There should be no doubt that, now as in the past, we regard the CSCE process as an exceptionally useful instrument for promoting our objectives in the East-West dialogue.

In our view the draft concluding document submitted by the non-aligned countries is a good starting point for the negotiations. The Ten have submitted some essential and reasonable draft amendments to this document, which have found support from allied and friendly countries.

Since the introduction of martial law in December of last year the Ten have followed developments in Poland with deep concern. Inspired by a genuine sympathy with the Polish people, the Ten have several times repeated their request to the Polish authorities to lift martial law, release those under arrest and return to a genuine dialogue with the relevant groups in Polish society.

The release of Solidarity's leader, Lech Walesa, together with certain other indications, would appear to be a step in the right direction, but there are still a great many negative aspects in the situation in Poland. The Ten are agreed that they must continue to follow developments in Poland very closely.

At this point I should like to answer Mr Fergusson's question concerning the ban on the Polish trade union 'Solidarity'. As the honourable Member will already know, the Ten have been following developments in Poland since the imposition of marshall law very

closely and have conveyed their views very clearly to the Polish authorities in a statement of 4 January 1982 and on subsequent occasions, the last of these being at the meeting of the European Council on 3/4 December. At this meeting the Ten noted with grave concern that the free trade union 'Solidarity' had been dissolved. The views of the Ten on the Soviet Union and on Eastern Europe in general were clearly set out in the final communiqué of the European Council of 3/4 December.

The Ten have continued their active diplomacy with a view to promoting a comprehensive peace settlement in the Middle East. As confirmed most recently by the European Council on 4 December 1982, such a settlement to be negotiated with the participation of all parties — meaning that the PLO will have to be involved in the negotiations — should be based on the principles of security for all States in the region, including Israel's right to exist, justice for all peoples, including the right of self-determination for the Palestinians with all that this implies, and mutual recognition by all the parties involved.

The development of the Arab-Israeli conflict took a dramatic turn with the Israeli invasion of Lebanon in June. The Ten vigorously condemned the invasion in their declarations of 9 and 29 June, and called for the complete and prompt withdrawal of Israeli forces as well as the departure of all foreign forces. There have, since the tragic events in Lebanon, been signs that the new situation could contain the seeds of a genuine peace process. In my speech to the UN General Assembly on 28 September 1982 I stressed that the Ten are encouraged that the essential principles on which a comprehensive, just and durable settlement must be based, are commanding increasing acceptance. I also took the opportunity of welcoming the new American initiative contained in President Reagan's speech on 1 September 1982. It offers an important opportunity for peaceful progress on the Palestinian question and a step towards the reconciliation of the parties' conflicting aspirations. In this connection, I emphasized the importance of the statement adopted by Arab Heads of State and Government at Fez on 9 September 1982.

In my capacity of President of the Ten, I met in New York Mr Farouk Khaddoumi, Head of the PLO's Political and International Affairs Department. On behalf of the Ten, I expressed the hope that the Palestinian people would pursue their demands by political means and that the achievement of these should take account of the need to recognize and respect the existence of all the parties and security for all.

I visited Beirut on 4-6 November 1982, to express the Ten's support of the Lebanese Government and the unity and independence of Lebanon and to discuss assistance for reconstruction. I also visited Amman on 6-8 November 1982, in view of the important role that

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Jordan can play in new peace negotiations on the basis of President Reagan's new initiative.

As a follow-up to this visit, it was decided at the political co-operation meeting of Foreign Ministers in Brussels on 23 November that I should take up an invitation from the Israelis to visit Israel in order to express the Ten's desire for further contact with both Israel and the Arab side. During my visit to Israel from 27-29 November I had a meeting with Prime Minister Begin and talks with Foreign Minister Shamir. As instructed by my Community colleagues, I asked the Israeli Government to show flexibility in its approach to the new diplomatic initiatives, as the opportunity to revive the peace process should not be wasted. I pointed in particular to the settlement policy as an obstacle to the development of the trust between partners which must exist before meaningful discussions can be held. Prime Minister Begin stressed that Israel wanted to preserve the Camp David agreement as the basis for the talks, as it not only gave the Palestinians the right to full self-determination but also kept all options open with regard to the final status of the area.

In summary, it could be said that on the face of it the talks were disappointing, but I nevertheless believe that they may be regarded as useful, in that they helped to further the dialogue with our Israeli friends. We should therefore continue to remain in contact with Israel as well as with all the other parties in the Middle East conflict.

To close, let me just mention the situation in Afghanistan, which remains a source of grave concern to the whole world. At the 37th UN General Assembly an overwhelming majority of the UN member countries dissociated themselves from the Soviet occupation of this erstwhile non-aligned and independent country. More than 20% of the Afghan population have had to flee their home country which is proof of the suffering to which the Afghan people are exposed.

In their joint statement at the opening of the 37th UN General Assembly the Ten strongly urged consideration of the European Council proposal of 30 June 1981 for a comprehensive political settlement. The governments of the Ten also supported the initiative by the European Parliament making 21 March 'Afghanistan Day'.

Finally, I should like to stress how important the Ten regard contacts with the European Parliament. I personally found my meetings here to be extremely useful as a step in what is I think a fruitful dialogue between the Ten and the European Parliament. However, I wonder if this dialogue could not be made more effective to the advantage of both parties involved — without the delicate balance between the institutions being disturbed. The abovementioned meeting with the Political Affairs Committee in Copenhagen — perhaps partly because of its informal nature — provided a splendid opportunity for a more thorough exchange of

views on vital international issues. It would be unnatural to expect us to be at one on all political matters, but it is immensely important that our consultations should give us — as the partners we are — the opportunity of informing each other of the background to and reasons for our attitudes and actions. To close, I would emphasize that the Parliament's treatment of foreign policy questions are closely followed by the Ten and figure to a large degree in their discussions.

(Applause)

Mr Haferkamp, Vice-President of the Commission. — *(DE)* Mr President, I should like on behalf of the Commission to make a few additional comments on the oral questions contained in the footnote to the order of business.

First of all, Poland. The President-in-Office of the Council has spoken at length of the political implications. I shall only make a point on aid to Poland. This House had a lengthy debate in September on aid to Poland, and on that occasion I explained in detail how it worked in practical terms. I expressed our appreciation of the organizations which have done everything in their power to ensure that the aid actually reached its proper destination, namely the people who need it.

During that debate I said that the Commission would submit a proposal to make the finance available to continue this help. This proposal was forwarded to the Council on 20 October. It covers the period from December 1982 until May 1983. The aid is to be channelled through the organizations which have arranged assistance so far. The Commission has suggested a total amount of 9.5m ECU.

As regards the questions on the North-South relationships, the Commission can only reiterate what the President-in-Office has already said. We hope that the overall negotiations will get started in the UN General Assembly. We shall, of course, try to make specific progress, as we have done in the agreements on raw materials and basic foodstuffs. We shall do everything to help improve the situation of the developing countries.

We appreciate Mrs Macciocchi's highlighting the Community element in her oral question, in other words she stresses the need for the Community to act as one body in its relationships with the United States. The President-in-Office of Council has already referred to some events of this past year. There is a very close network of ongoing consultations between the administrations and politicians of the Community and the United States. Twice a year we have regular high-level technical talks in which we air all topics of mutual interest insofar as they come within the Community's competence. We also have regular political meetings, and additional ones when necessary. The Council President mentioned the meeting held last week.

Haferkamp

Perhaps the House would be interested in hearing more about this. The United States Secretary of State for Foreign Affairs and four other Ministers came to Brussels to meet the Commission. The subjects discussed on that occasion included firstly the continuation of the work in GATT. After the Ministerial conference in Geneva we must make headway in GATT through practical work. We must endeavour to make an early start on the work laid down in the final communiqué of the GATT conference.

We agreed with our American counterparts that we would do everything to advance this practical work, for example on the negotiations on the subjects in the protective clause, which have ground to a halt. The GATT Ministerial Conference laid down a list of specific points and also, for the first time, a timetable. An interim report is to be drawn up by the middle of next year so that negotiations on the protective clause can be concluded by the end of next year.

Furthermore, a detailed work programme on agricultural problems has been drawn up in GATT which covers all aspects of agriculture which could influence trade relations. Furthermore, a working party was set up to deal with services connected to trade. I mention these examples — and there are more — on which we want to work together to ensure that GATT subjects do not only appear in print in a final communiqué but are actually advanced. This is particularly important in view of the difficulties in world trade.

A second important subject discussed with the American administration representatives was agriculture. I should like to state clearly that at no time were the various systems debated. It is quite obvious that we can neither debate nor negotiate the system or basis of our common agricultural policy, just as we have no intention of interfering with other people's principles and systems.

But we all know that there are specific difficulties on the world trade market for a number of agricultural products because of big harvests in past years, storage and a drop in demand. Both the United States and ourselves are faced with the same problems and it is in the interest of both parties to discuss them and consider how to tackle them pragmatically. That is what we agreed on. Technical talks will start in January between the Community and the United States, and we shall assess development in March. We are convinced that this attempt to find practical solutions will help us progress.

Thirdly, we discussed East-West relations insofar as they come within the competence of the Community. I should like to repeat what the President-in-Office of Council said: All problems of Community competence will be dealt with by the Community institutions in Community procedures, for example energy, export credit and of course trade.

Both in this context and in negotiations on special issues referred to already by the Council President it has proved valuable to have the Community act in harmony. This is true of the consensus reached in June in the OECD on export credit for steel, the negotiations on the Siberian gas pipelines and the textile negotiations on the multi-fibre agreement.

All these agreements and negotiations successfully concluded show that it is always possible to make progress and achieve positive results when the Community, as in GATT, acts as one. That is the positive conclusion of the work of the last few months. This Community stance, this Community action, this solidarity should be strengthened.

(Applause)

Mrs Macciocchi (S). — *(IT)* Mr President, I should like to express my very warm thanks for the full reply to the questions I raised many months ago. However, following what has now been said, I wish to raise these matters again, since, although it is true that the contacts that have been established with the United States have achieved a series of notable successes at technical and routine level, when the Community has shown itself to be a compact, united body, it is equally evident that there is a need for general discussion also of the other most burning questions apart from economic matters — namely, the problems that are inherent in European defence.

I have sometimes wondered whether we are sufficiently well informed or kept up-to-date regarding the negotiations taking place in Geneva, where the United States is involved in discussions on Europe's behalf. The problem is to establish a link enabling the Community not only to be informed, but also to make its voice heard in those discussions.

Basically, the important message that the question was intended to emphasize is that a united Community can make a considerable contribution, not only in those sectors just referred to — GATT, the Siberian pipeline, agricultural questions, and all the other problems that fall within the vast economic sphere — but also in regard to problems of a more political nature. I am raising again, in effect, the question to which I have not received an answer, namely: — what objectives might underlie the consultations between the European countries and the United States, over and above what has been mentioned here today? My concern stems from an awareness of the need for Europe to speak with one voice.

This is not in any way to deprive individual States of their fundamental prerogatives, above all in the delicate area of strategy or defence. I was wondering, however, whether Franco-German discussions — and I had in mind the case of February last year, although there has been another more recently between Mitter-

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rand and Kohl, a few weeks ago — might not to some extent prejudice the achievement of the desired result, which is to produce a force in which all the Ten are represented, and which might be hindered by the existence of a preferential relationship, however precious, between France and Germany.

Moreover, that last Franco-German discussion shows the readiness of each of the two partners to conclude agreements with other European countries — in the case of Germany, the agreement with Colombo, and in the case of Mitterrand, with all Southern Europe — so that France and Germany have each established a dialogue with different regions of Europe. The great problem, therefore, is not one of disagreement over a preferential friendship between France and Germany; it is that, in addition to this preferential friendship, but as a factor of far greater importance, the European Community should be united in face of not only the major economic questions — which have been dealt with here today, and in regard to which we acknowledge there has been considerable progress — but also other fundamental questions, such as the international political situation and the question of defence.

It is from this standpoint that I hope not only that the debate, which has been of great interest to me, may continue, but that in addition it may be the source of new, more courageous initiatives that will take a united European Community into more delicate, more advanced territory that has a bearing on the very future of Europe.

IN THE CHAIR: MR ESTGEN*Vice-President*

Mr Croux (PPE). — (NL) Mr President, colleagues, Mr President of the Council, we have listened with great interest to your statement to the House on the six months of the Danish Presidency and on political cooperation and I would like to begin by expressing my appreciation for the professional manner with which you have discharged your duties as President of the Council for the greater part of these past six months.

It must be said that there were some reservations in various quarters at the beginning of the Danish Presidency. You were confronted with extremely complex situations both inside and outside the Community, and indeed even within your own country. We note with satisfaction that you have managed to surmount the difficulties and to acquit yourself in a loyal, fair and constructive manner. The difficulties were indeed considerable, as we realized at the Council meeting in Copenhagen, where you addressed the Committee on

Political Affairs. Our colleagues from the House Committee on Budgets have been unstinting in their praise for the seriousness with which the Danish President of the Council led the discussions with them. We shall thus reflect with some considerable satisfaction on the Danish term of office, despite the enormous difficulties with which it was confronted.

In commenting upon some of the points you have raised I would like to focus attention upon the progress, or lack thereof, the Community has made towards achieving the goal of European Union. This concerns the Council as a whole, and not just the Danish Presidency. The colleagues from my group will be examining the various individual aspects but I shall be confining myself, in the context of this general appreciation to four points, the socio-economic policy, political cooperation, institutional matters, and finally the accession to the Community of Spain and Portugal.

On the socio-economic policy let me reiterate that we are faced with well-nigh insurmountable unemployment problems within the Community, and in particular among the youth. I need hardly remind you that 40% of all unemployed Community citizens are young persons, and that the problem is an ever-increasing one. Over the past few months the total numbers of unemployed in the Community have been swelled by one million. All the stops have been pulled out in an effort to come to grips with this seemingly intractable problem. Within the Community the individual Member States, irrespective of their political ideologies and socio-economic philosophies are beginning to feel the iron yoke of economic austerity and reality and, in their efforts to wrestle with their economic difficulties are desperately seeking economic stability. I might add that the Council has begun to address itself to the complexity of this whole problem even though its declarations have heretofore been no more than vague generalities. The aims for the Community at this point in time are stability, monetary discipline, achievement of the internal market, an improved trading policy and, in the social sphere an initial exploratory study concerning the redistribution of working hours.

Declarations of a general and vague nature will simply not appease public opinion within the Community. We therefore appeal for the implementation of the guidelines elaborated at the European Council meeting in Copenhagen. I have the impression, also shared by other members of our group, who will be dealing with this aspect in greater detail a little later on, that the Council has reached a greater consensus than had heretofore been assumed which should enable concrete measures to be adopted in this field in the near future. Needless to say, this was badly needed.

On behalf of my group, I would like to express our satisfaction with the manner in which Community trading policy was implemented. Commissioner Haf-erkamp correctly pointed out the Community's posi-

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tion in the face of the onslaughts emanating from the United States' representatives at the recent GATT conference in Geneva. As such this deserves to be considered as one of the most positive developments of the past few months.

I now turn to political cooperation. I have just referred to the Community's trading relations with the United States and I am now forced to ask myself, Mr President of the Council, whether the Community did not in fact achieve even greater progress here in the area of political cooperation. Circumstances being what they were, the Community in fact had no option but to speak with one voice. You yourself have given several examples of this and they are of course not confined to the realm of trading policy but concern the burning topics of the day: Poland, Afghanistan, the Middle East, development in the United Nations Assembly, and in the UN-sponsored conference on disarmament. We read with great interest those aspects of your report which referred to a growing public awareness in the fields of security and disarmament, which confirms the phenomena reported in the Genscher-Colombo Draft European Act and on the need for greater harmony of certain political and economic aspects of security policy. We also read with interest your description of the structures which have been established in that area, however *ad hoc* they may be at the present time; on the way in which the Community Member States function in times of crisis in a system of cooperation constructed around the past, present and future Council presidents thereby guaranteeing a degree of continuity. Contacts have now been established on a political director level between the Community and the United States and we noted, even to our great satisfaction, the visit to the Commission in Brussels last week of no less than 5 members of the US Administration. In this connection I would like to put the following question to our colleagues in the House: Does the House have any intention of strengthening its ties, at parliamentary level, with both Houses of the US Congress? We devoted some time to the matter a few months ago. My group sponsored the embryo of just such a resolution but it was referred to the House Committee on Political Affairs. Let it be said that it is high time that our Parliament strengthened its ties with the US Congress.

Some of the members of my group will be dealing in greater detail with topics such as Poland, Afghanistan and the Middle East but I should like to reiterate that we consider both the CSCE Helsinki follow-up talks currently taking place in Madrid and the disarmament talks between the United States and the Soviet Union in Geneva to be of equal importance. In point of fact your statement, Mr President of the Council, paid scant attention to the latter but we see the two as being linked. The Madrid conference is concerned with improving the climate of international contacts and of humanitarian aspects in Europe in general while the Geneva conference intends to bring that about,

through disarmament. Thus we believe the two conferences to be inextricably linked.

Just a short remark on the Community institutional problems. May I emphatically request the Council, during its deliberations today with our Committee on Budgets to see its way towards having some understanding for our arguments. This is a day of particular significance in that it can demonstrate whether the 'concertation', to which you have alluded so often, can in fact lead to positive results. At the same time I would draw attention to the necessity of making thorough preparations for the discussion of 24 January next on the recommendations of the Genscher-Colombo initiative with a view to guaranteeing a successful outcome. On the matter of the 1984 elections to the European Parliament I would ask what progress has been made on the introduction of a uniform electoral law throughout the Community? My fourth question reads: What is the situation regarding the European Foundation? I shall conclude, Mr President, by drawing attention to the importance we attach to Spanish and Portuguese accession to the Community. We would ask that the political efforts continue apace and that a balanced attitude be taken in dealing with the economic, financial and institutional problems associated with such accession. We feel that definite progress was made regarding this matter in Copenhagen and that blueprints were elaborated. We look forward to some significant progress in the months to come on this matter. It is a test concerning the future of the Community as such, and of European Union.

Mr Fergusson (ED). — Mr President, may I first, on behalf of my group, express our warm feelings towards Denmark and the Presidency which the President-in-Office is just completing, knowing, as Mr Croux has already said, that it has often been done in the face of quite severe difficulties at home. We do much appreciate what he has done and we wish him very well.

May I first deal with my oral question about Poland, to which the President-in-Office has already been good enough to refer. The House will be dealing with Poland again on Thursday. All we want now is some kind of text as a basis for our further discussion, some indication of how the Council and Commission propose to strengthen their measures to counter this oppression of Solidarity. This week of all weeks, as the Polish authorities go through the motions of suspending martial law, we see what a sham the claims are that any real liberalization is underway. We would, of course, welcome the release of those in prison without trial, but the basic political liberties of movement, of association and of speech remain suppressed. We see extended once more to Poland the Russian practice of confining dissidents to mental institutions. We see that Lech Walesa, the voice of the Polish people, has been forbidden to speak his mind. Now the President-in-Office said a little while ago that the Ten have agreed

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to continue to follow events closely and have made their attitude plain. But we asked in the Deschamps report for a fundamental re-assessment of our relations with the USSR and COMECON. I ask him: has that fundamental re-assessment been made? Have not the circumstances indeed occurred in which a fundamental re-assessment become necessary? So I again invite the President-in-Office to say what further steps the Council may be considering while Solidarity and all it stands for remains crushed.

The President-in-Office will forgive me if I too now revert to a matter which is on all our minds and especially on the minds of British Members today. The Community last night entered not just one of its endemic crises — there's nothing wrong or new about that; nothing ever gets done in Europe except as a result of crises, whether in agriculture or fishery or whatever — but potentially one of our most damaging crises yet. And it will be damaging unless we solve it very fast indeed. We have, I think, about 36 hours in hand.

I am concerned not with the details that have been gone into but with what lies behind this particular crisis. And I have this to say to the Council collectively. I say it and we all say it as the elected representatives of the Member States. The people of Europe simply do not understand you. The young of Europe ask one thing. Is Europe, the politically united Europe you say you believe in, for today or for tomorrow? Is it for now, when we need it and can still believe in it, or for the next century?

In its voting last night this Parliament did not vote against Britain. In its own way the vote was a censure of the futility of the Council of Ministers. The misfortune may well be that in Britain it will not be seen like that, which is hardly Parliament's fault, sickened as we are by the prevarications and manoeuvrings in the Council to defend the members' short-term national interests. No one can say either that Parliament's protest is entirely free of ulterior motive and feeling. I should be very surprised if much of last night's feeling does not reach back to the previous budgetary agricultural crisis last May in the wake of the Falklands war.

But let me repeat that the reason for Parliament's frustration lies first and foremost with the Council, with which collectively people remain profoundly unimpressed and sad. It all boils down to the words used a little while ago by the President-in-Office. I quote: 'It was not possible to reach agreement on the necessary changes'. *Mutatis mutandis*, that is why the Parliament is now preparing to throw out the one reach-me-down, interim, spatchcocked, short-term budgetary agreement, clever as it was, that the Council did make and to throw it out even at the risk of robbing the United Kingdom of its political ability to carry on as a willing, welcome Member State. You can not blame the Commission on whom you, the Council, laid the burden of a mandate to square the circle of your col-

lective incapacity. It is in the Council that 80 directives are held up, though approved by Europe's Parliament, directives that alone could prevent the internal market which you called for from remaining a mockery. Finally, of course, in the face of eleven and a half million unemployed some of these directives are now going to be looked at again closely, but I must say that we await results with understandable doubts. You can not blame Parliament for the impasse we are now in. Long ago Parliament produced plans for the reform of the common agricultural policy acceptable to the representatives of all the States gathered here.

In the world at large, under the Danish presidency, the Economic Community has held together commendably well in the face of many disruptive processes and pressures. But otherwise, Mr President, the finger, I think, points at the Council, which has failed to effect the internal reforms we need, which has caused the new budgetary crisis by failing to agree on just and fair financing arrangements, which baffles the people of the Community by permitting agricultural surpluses which feed our enemies cheaply and impoverish our Third World friends and which, because of the members' individual selfishness, demonstrates again and again its collective weakness.

This Parliament, in some ignorance, I fear, of the probable consequences of not getting its way, asks the Council today for a miracle. The Council has to provide one.

Mrs De March (COM). — (FR) Mr President, Mr President of the Council, I listened attentively to what you had to say and I noticed the priority you put on the economic and social system — which confirms, alas, the crisis and worsening employment which are at the centre of our debate.

A six-monthly stock-taking would be pointless if it were not the opportunity to look at the essential problems and answers to them. The relative decline of the dollar and of interest rates cannot solve the essential problem of growth and unemployment. Opportunities for a decisive improvement in the employment situation will emerge from the solutions found for the problems of growth.

It is not without interest to note that my country, France, has managed to reduce the increase rate of unemployment and today, in spite of certain difficulties, to obtain a higher growth rate than in the other countries of the Community.

So the means and conditions of this growth have to be found and we have to consolidate, in particular, the financial means used for this purpose and look at the criteria for their use.

We are pleased, in this connection, that, in our country, the criteria for economic management are becom-

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ing a major topic, a great national issue. In the discussions, the criteria for social effectiveness is now competing with profit.

So the Community budget now being discussed and the Community loans should help productive investments get off the ground again, not on the basis of an improvement in the financial profitability of firms alone, but considering the needs for employment, for qualification and for consumption in each country. So we approve of the European Council's idea of launching a third special Community loan of 3 000 million ECU this time. But we should like to say that we hope to see these 3 000 million ECU used to encourage the vital recovery of decisive sectors and for employment, particularly for young people.

For example, if we wanted to help the iron and steel industry out of the crisis, should we not have to help expansion in the main consumer sectors, the car industry, housing, machinery and equipment? And this of course raises another problem you mentioned in your speech, Mr President, the problem of the market.

We do not feel that protectionism is the answer. What counts is the political will to produce rather than import, the strategic choice of industrial development. And this has to be done on the basis of the internal market of each of the Member States and in cooperation with the Ten. That is the only way of tackling the existing problems of commercial imbalance, including those in the Community itself.

That is also the way to forge a vital link between productive investments in research and technology and what I call a new economic deal which would ally efficiency and new rights for the workers in the war on unemployment in Europe.

I am convinced that the success of the economic relaunch will become a reality if all these factors take practical shape.

Lastly, and this is more of a political problem, we are pleased that the USA's policy of commercial and economic sanctions has come up against the joint desire of the Ten to continue cooperating with the USSR — a desire which cropped up again in the GATT negotiations — and oppose America's commercial pretensions. We would have liked to see the Community just as firm with the USA in the steel negotiations. But alas, the compromise they signed is not satisfactory and it will not contribute to the relaunch in the countries of the Community and France in particular.

We also hope to see the same community spirit and firmness of view on the part of the Ten when the USA blocks the continuation of the North-South Dialogue. Could the Council express its opinion on this matter when it answers our oral question? And could it tell us how it envisages the vital link between the war on

hunger and disarmament in the Lomé Convention framework?

Mr President, how is it possible to talk about the past six months without spending time on the events in Lebanon? We have to hope that the Ten, and France in particular, do their utmost to find a political solution to the conflict tormenting the Middle East today, so that the Lebanon can regain full sovereignty and full independence. After all that the Lebanese and the Palestinians have suffered from the invasion and the Israeli bombing of Beirut and after the odious massacres in the Palestinian camps at Sabrah and Chatilah and the demonstration of the Israeli involvement in this, there is more need than ever for peace in this part of the world, for an independent Palestine, for total Israeli withdrawal from the occupied territories and for a genuine dialogue in which the PLO would, as the one and only representative of the Palestinian people, play a full part. An overall political solution to the problem should guarantee the security of all the countries in that part of the world, of course.

One last question. We are pleased that the conference on security and cooperation in Europe was able to start up again in spite of deliberate obstruction by the USA. We think it is perfectly reasonable for the Ten to accord their views on political questions involved in the negotiations on détente and disarmament, as the European countries have considerable responsibility when it comes to keeping peace.

There is one major, undeniable fact on the new political scene, over the past six months in particular, in Europe of the Ten and it is the ever-stronger desire on the part of hundreds of thousands of people, old and young, to see a guarantee of peace, security and disarmament in Europe. But we want there to be no confusion here. Talking about détente is one thing, but talking about defence is quite another and we cannot entertain the idea of military and strategic problems being dealt with in the Community framework. I should like, here, to ask the Council representative for explicit confirmation of this principle. I should also like to ask the Commission the following question. On 6 December last, Mr Natali, Vice-President of the Commission, publicly announced in Paris that the Community should set up a common defence policy. Mr friend Robert Chambeiron asked in this hemicycle last Monday how a Member of the Commission could allow himself to make such an announcement when it is the Commission which is the guardian of the Treaties. We are now waiting for the Commission to give us a straight answer to this question.

Mr Bangemann (L). — (DE) Mr President, six months ago when we came to the end of the Belgian Presidency, I said on behalf of my group that we were sorry that their term of office had come to an end and that we would have liked to see it extended. But that did not mean, and I hastened to say so, that we were

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unwilling to welcome the Danish Presidency. We can now say that we are all very pleasantly surprised at the extraordinary successes of the Danish Presidency. In particular I should like to thank the President-in-Office of the Council personally — I think he deserves a personal word of appreciation — for his work, for it is certainly due to his efforts that this presidency will be remembered as one of the most successful in the history of the Community.

(Applause)

May I be allowed to wish the President-in-Office, not only on behalf of the Liberal and Democratic Group but also on behalf of all Members of this House, a speedy recovery from his cold which is undoubtedly not due to the political climate but solely to the weather.

I should like to speak to three subjects as my colleagues Tove Nielsen and Niels Haagerup will later deal with other matters on behalf of my group. First I wish to comment on subject number one, namely unemployment. I think that two strategies are needed here. Firstly we must take very unconventional and effective measures to ensure that in the coming years the number of unemployed young persons does not grow. For that we need totally unorthodox measures geared to their present particular situation and which in some cases could mean further training and in many cases perhaps getting a job.

The second strategy consists in recognizing clearly that if we want successfully to combat long-term unemployment in the Community we are facing a structural and not an economic problem.

We shall not tackle long-term unemployment effectively if we do not succeed in overcoming a whole series of prejudices and obstacles in the general public opinion. I shall but mention a few. There is a prejudice against technical innovation, and this is unfortunately also prevalent in the trade unions. People think that technical innovations will lead to some loss of jobs, they object to the introduction of new technologies, they even stir up a certain fear of new technologies and fail to understand that it is only through new technologies that competitive jobs can be created for the future. I was pleased to hear what Mrs De March said in that she did talk of the profit of a firm without immediately adding that that is the capitalist's filthy profit, for the truth of the matter is that these profits are essential to keep the firms in business and maintain jobs. In competition with Japan and new industrialized countries we shall only manage to create jobs in Europe if we are prepared to use new technologies fearlessly and draw the necessary conclusions from that.

One of these conclusions is better training for employees. Whereas we used to be able to fill jobs in the steel industry and in the traditional industries only with

physical strength, with attributes which we really brought with us as people, we shall no longer be able to do that in the future. We shall be producing at a high level, and that means that those seeking employment must make an effort to extend their human aptitudes so that they are capable of dealing with this high technological level.

May I now turn to what the President-in-Office of Council said on the development of the internal market. Our achievements in the European Community are not all that slight. Every six months when we are presented with the long list of measures taken during a presidency we really must admit that the Community's record is not all that bad. The last few months have admittedly seen the centrepiece of the Community, the free internal market, threatened with collapse. Anyone here who thinks for whatever reason that he can gain something for himself by creating obstacles and harassment at the frontiers must realize that he is not merely destroying the roots of the European Community but that he will with absolute certainty also damage his own interests, and that therefore there is no point at all in hiding behind protectionist measures. We must spell that out to all Member States. No one here can throw the first stone without damaging himself. But perhaps there are some Member governments who are sorely tempted. I should like to say most emphatically to some Members of this House: we must act for the best for the Community irrespective of our national allegiance.

The third point I wish to make is on yesterday's decision. I appreciate that the President-in-Office has not yet commented on it as he cannot prejudge the negotiations with the Finance Ministers planned for this afternoon.

On the decision taken by a large majority yesterday — 250 votes in favour, with 80 against and a few abstentions — I should like to say on behalf of my group that this large majority indicates clearly that this Parliament recognizes the financial imbalance of the United Kingdom's position. On the other hand we do not wish to check this imbalance by a simple, an over-simple, financial mechanism, by which a cheque is handed over every year and every year the amount of this cheque is the subject of negotiations. We want this imbalance to be corrected by a lasting mechanism which also means the implementation of Community policy.

That is why yesterday's decision was not an anti-British decision. Neither was the decision by German Members of this House not to approve the planned payments to the Federal Republic in this form an anti-German one. It was a decision for Europe, and the Council should bear that in mind when it discusses our proposals this afternoon.

A final comment on institutional problems. There was one expression, indeed the only one, you used in your

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declaration, Mr President-in-Office, with which I cannot completely agree, namely 'the right of veto on vital issues'. There is no right of veto on vital issues. The Treaty of Rome lays down various mechanisms for voting. On some issues the vote must be unanimous. When a decision has to be taken by a unanimous vote then clearly any single Member State can vote against, without there necessarily being a vital issue at stake, and then the decision in question cannot be taken. The Treaty actually covers even more than you have called for on behalf of one or other Member State. Under the Treaty, however, a decision can also be taken by a majority vote in certain cases and according to certain rules. We consider this legal basis of the Community very important for we believe that a democratic Community must be able to carry majority decisions.

In the controversy on fishing which you touched on it is the interests of your country in particular that are at stake. I can assure you that the Liberal and Democratic group and its Danish Members have done everything, and will continue until the decision next Tuesday to do everything, to facilitate a solution acceptable to both the Danish fishermen and the Danish fishing industry. We ask you to accept such a solution even if it means that the Council has to take a majority decision.

A final comment on what Mrs Macciocchi said. I fully understand that if one has not been involved in discussions one always feels uneasy and wonders why something specific cannot happen in a Community of Ten. But one must recognize that for example in relationships between Federal Germany and France — and I am not speaking now as a German but as a Member of this House — such cooperation based on specific historical facts has existed for a long time.

Furthermore one must appreciate that on some issues it is easier for a particular Member State to act on a bilateral or trilateral basis. The Genscher-Colombo initiative hailed by all was thus possible between the German and Italian Foreign Ministers. At that time it would have been highly improbable between the German and Danish Foreign Ministers. Perhaps it would now be possible again. We should therefore not be too eager to condemn such attempts on condition, as some colleagues have already said, that such initiatives lead to a Community decision.

If all Council presidencies were to try as hard to find Community solutions as the Danish Presidency has done in the last few months then we would make very much faster progress than expected, and I should like to thank the Danish President-in-Office on behalf of my group.

(Applause)

Mr Nyborg (DEP). — *(DA)* Mr President, I would like to start by congratulating the President-in-Office

on his very detailed and precise statement to the Parliament. Like the President-in-Office I am also pleased with the result of the meeting of the Ministers for Economy, Finance and Employment and Social Affairs in the month of November.

In my opinion we are getting onto the right track. The only way to combat unemployment is to create more jobs, which in itself can only happen by increasing industrial activity. European industry must be made competitive by lowering its level of overheads, and this must come about by not only reducing but also redistributing public spending, so that public budgetary deficits can be eliminated. By doing this the interest burden is curtailed, and once again industry would take the initiative which would lead to an increase in production.

I noted that the President-in-Office in his speech explicitly mentioned the small and medium-sized undertakings and during the last six months new rules have appeared with regard to the European Investment Bank's granting of global loans, particularly to small and medium-sized undertakings. On the other hand I regret that progress is still slight and infrequent. I believe that we must have a new approach to the Community's industrial policy. I think that I have also heard that Mr Stetter is thinking along those lines. Instead of trying to keep alive sectors and businesses which under any circumstances are sinking ships, we should rather invest in small and medium-sized undertakings which by virtue of their flexibility and adaptability have proved that they can create new jobs.

On the initiative of the European Parliament the year 1983 has been declared the Year of the Small and Medium-sized undertakings. I would like to invite the Council of Ministers together with us, also in 1983, to have adopted a number of concrete proposals for the improvement of the conditions of these businesses.

Fine declarations of intent are not sufficient. Here there is a necessity for a number of concrete proposals that must be passed by the Council of Ministers. One can read in Mr Deleau's report which was passed in this Chamber on 19 February 1982 which proposals it is about and which proposals are already lying on the table of the Council of Ministers.

This leads me to the next point in the President-in-Office's speech, namely the internal market. Not even in the past six months have we been spared those national egotistical attitudes that have led to new technical obstacles to trade. I only have to mention the market for tv-sets and videorecorders.

It sounds very attractive that there is agreement in the Council about developing a series of relevant working programmes as regards technical norms, company law, specific services, formalities at the Community's internal frontiers, etc. In this connection I would like to draw the Council of Ministers' attention to the debate

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that is to take place here in this Chamber to-morrow about the Customs Union. It will be a debate based on a report which the Commission happens to compile each year. This report contains a long list of proposals from the Commission on which the Parliament already, years ago, has expressed its opinion. These are proposals, which are still on the shelves of the Council of Ministers collecting dust, instead of being on the Agenda.

There is really no special reason to develop new working programmes as there already exists — as has just been said — a whole stack of proposals which ought to be adopted.

The fact that the Council reached an agreement this autumn on New Zealand's butter export to the United Kingdom was gratifying per se. Had one reached an agreement by which the British should buy their butter inside Europe instead of outside Europe, this would have been even more gratifying. I do hope that someone took the opportunity to explain to our British friends that one of the causes of their so-called net-contribution is in fact this continuous import of food from third countries. Unfortunately the Danish Presidency did not succeed in solving the problems about the United Kingdom's budgetary contribution. Yesterday's vote in this Chamber on the proposal for a regulation establishing supplementary measures in favour of the United Kingdom quite clearly demonstrates that the European Parliament and the Council do not agree on the special preferences that the United Kingdom is trying to achieve.

I take it for granted that the Council of Ministers will respect the Parliament's decision — as mentioned today by other speakers — as we expect the Council of Ministers to recognize the role which the European Parliament is playing in the budgetary procedure of the European Communities.

One thing astonished me, Mr President-in-Office, namely that you did not at all mention the question of the common transport policy, which seems to be a pressing problem. Is this an omission? Has no progress taken place in this area during the past six months? Or would one, in a long silence rather ignore the fact that the European Parliament is indicting the Council of Ministers? The Parliament has lost its patience, and the first steps have been taken to commence action for failure against the Council of Ministers before the Court of Justice of the European Communities. In Denmark as well as in other countries haulage contractors and transport businesses are constantly impeded in conducting their business because of an insufficient number of haulage permits. This is just a detail, but an annoying detail.

As regards the transport sector there are — just as is the case with the customs union and the internal market — stacks of proposals on the shelves of the Council of Ministers collecting dust. In the press releases from

meetings of the Councils of Ministers it always says that 'we had a good and positive discussion on the proposals now before us, and we have asked the Permanent Representatives to work on the problems'. It sounds very nice indeed. The administration and bureaucracy of the Council is slowly but surely growing, whereas, generally speaking, the number and quality of the decisions is declining. But in spite of all this I will finish by congratulating the Danish Presidency on scraping through the last few months with the skin still on their noses despite the great difficulties they have come up against, partly because of the situation within the Community, and partly because Denmark changed horses in mid stream, which has certainly not simplified things.

Mr Glinne (S). — (FR) Mr President, Mr President of the Council, Honorable Members, the Socialist Group, for its part, is as disappointed and worried about the result of the last European Summit as it is about the activity of the Danish President.

Certainly, as the President-in-Office of the Council has stressed, some positive results were achieved and the last European Council was obviously different from most of the previous Councils in using more precise language and fixing precise time limits — at least when it came to certain sensitive subjects such as the strengthening of the internal market, the increase in funds for the new Community instrument, enlargement and relations with third countries.

But it is all too easy to cry victory because of one or two results. The results of the last European Council are no reason for great rejoicing. Experience has unfortunately shown that policies and timetables that were officially fixed and agreed on were not adhered to. So it is too early to draw any conclusions and we should reserve our judgment. It is now up to the Council of Ministers to put the good intentions of the Summit into practice. That is what we are waiting for.

Secondly, and here I am touching on the real subject of our anxiety and disappointment, the Summit was too vague to the distressing subject of unemployment and, under the Danish Presidency, nothing concrete was achieved. But there are 11 million unemployed and, while the Commission's prospects are very gloomy, Europe cannot remain silent and inactive. Practical steps have to be taken without delay. On behalf of my group, I shall say for the nth time in this house that, if Europe is to be credible to the millions of workers who are involuntarily unemployed, then the Council of Ministers and the European Council have to do more than hold meetings that may or may not be successful. They have to make a proper job of tackling the social problem that causes us most concern — unemployment. I know, as we all in this House are aware, that the crisis is a profound and general one. We have still really to want to point to the root causes and the Community's failure to deal

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with the problems of unemployment and the creation of new jobs is undeniable.

The USA, for example, has a 10.8 % rate of unemployment, which is very high. But there are some compensations. Over the past decade, for example, 20 % of new jobs have been created. Canada has 30 % unemployment and Japan 10 % and some of the Scandinavian countries have 16–20 %. Although they are all seriously affected by unemployment, their employment prospects do not seem so bad as ours. Between 1973 and 1981, the Community only created a million new jobs. So far, it has done nothing to really improve the situation in the coming years.

What is the Council's attitude when Parliament proposes amendments to the budget that will channel more means into the war on unemployment? It is negative. What should we think of the fine promises and declarations of intention of the Council when it also refuses to release the financial means required to put them into practice? How can we fight unemployment at Community level if the Council anxious to reduce the budget, intends reducing non-obligatory funds to the lowest possible level, particularly those for social purposes within the framework of the Social Fund and the Regional Fund, and spending most of the resources on an agricultural policy which is clearly necessary (from the employment point of view too) but which can do practically nothing about the economic and social crisis we have to face?

We have 11 million unemployed today and we will have still more tomorrow. That is the crucial problem in the employment sector.

With reference to the employment policy, I should like to remind you of a resolution of the Council of Ministers of 1979, whereby part-time employment should be voluntary and open to both men and women and not able to be forced on people who want to work full time. The European Parliament looked into this, as we all know, and found that part-time work is increasingly common and employers are tending to force it unilaterally on the workers. It is remarkable that, last Friday, the Council of Ministers of the Ten discussed a draft directive on this subject. It apparently accorded part-time workers the same guarantees as full-time workers and insisted on implementation of the principle of equal treatment for men and women at work. Three Member States, unfortunately, blocked the decision. I should like to remind you, here, that Parliament, for its part, intends part-time work to be carried out on a voluntary basis and believes that a full-time worker's refusal to work part time should not be a reason for dismissal.

Parliament — and I repeat — felt, by a majority, that part-time work could, by changing full-time posts into part-time ones, be a way of reducing employment in disguise.

But we will stand firm. The only thing that has been decided, in practice, is that a study — that Parliament requested of the Commission and that the Commission is now carrying out — should be made.

Mr President of the Council, Europe displayed a certain unity at the latest GATT negotiations and we are proud of the fact, even if some of us are not so pleased at the outcome. On this occasion, the Heads of State and Government manifested a desire for cohesion that they confirmed at the Copenhagen Summit. From that point of view, this is a good thing. But what is the Council waiting for — and I repeat — to display unity, cohesion and, above all, will? What is it waiting for to decide to wage a proper war on unemployment?

In a motion for a resolution on the relaunching of Europe, our group wanted to propose certain initiatives. It has found that the great prospects opened for the people of Europe by 30 years of building the European Community are being threatened by the extent of the crisis in the countries of the EEC, by rising unemployment and by the risk of social and political deterioration.

Our group feels that the development targets, which should lead to more social equality and economic democratization, and the ideals of liberty and justice, which should characterize the Community we are building, mean that there should be a relaunch in the matter of employment policy, social policy and economic, industrial and commercial policy.

Mr President of the Council, Honorable Members, in doing this, the Socialist Group is not content to observe. Our draft resolution, is an 11-page one containing a series of practical proposals that I am unable to list here — although I would ask you to read or re-read them, in the hopes that the next Council will be able to take them into account and finally propose the relevant measures to combat unemployment and promote employment in the Community.

If it is to be credible, the Community must be something other than a place for fairly frequent meetings of the European political élite. It has to genuinely shoulder the real problems facing the people of Europe. Employment and regional and social disparity, first at the level of the Community and then at world level, are the crucial problems of our time.

So, to return to the decision-making powers of the Council, I really wonder whether it is possible for a Council on which there is a majority of right-wing governments can take the decisions we are still expecting it to take. That is the question. That is the challenge we are throwing out on unemployment in the name of the millions of workers and unemployed whom we, Mr President, have the honour to represent in the 10 countries of the Community.

Mr Klepsch (PPE). — (DE) Mr President, ladies and gentlemen, first of all I should like to express our gra-

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tituted to the Danish Government on its presidency of the Council. When Denmark took over the Council presidency it had a different government from the present one and our expectations of it, in view of past experience, were understandably low. I am therefore all the more pleased that we can pay tribute to the effort made by Denmark during its term of office in the interests of the Community. We particularly thank you, Mr Ellemann-Jensen, for the new relationship established between the Political Affairs Committee and yourself in the colloquies. We also appreciate that following the custom started under the British Presidency it is the Danish Prime Minister who will personally report on the summit and we hope that this admirable tradition will become established in this House.

I should like today to speak on the question from the Socialist Group introduced by Mrs Macciocchi which is also part of this debate. We are somewhat surprised at the content of this question for while meeting fully our own intentions, it does not tally with the Socialist Group's intentions as declared in the last meeting of the Political Affairs Committee. I should like to state for the record that this question was addressed to the Schmidt-Mitterrand governments, but of course it is still a suitable question for debate. I am happy to admit that and wish to make a few points on it.

First of all we are pleased that the Haagerup report and consequently the Genscher-Colombo initiative will be debated fully here in the House in January and that the pending Fergusson report covers all aspects of concern to Mrs Macciocchi and the Socialist Group. Hence our surprise to learn that the majority of the Socialist Group — at least that is what she said in the Political Affairs Committee — thinks this House should not discuss these matters. The majority of this House disagrees with that, but nonetheless we must make some comments on the important subject-matter of Mrs Macciocchi's question.

First of all we should like to assure the Council that the large majority of this House, I am convinced, believes that top priority should be given to Ministers Genscher and Colombo's proposals in the draft European Act to include security policy in the European Political Cooperation, particularly if we want to make sure that Europe plays a decisive role in the discussion on its own security.

Secondly, I think we must admit that German-French cooperation in one particular area is relevant to the discussion because the European Political Cooperation does not yet operate as planned. But both the French and German Governments have given a clear assurance that they support the Genscher-Colombo intentions on this matter and are very interested in establishing the European pillar of security policy. We should like to reassure the Council that these intentions have our full backing.

One word on cooperation in armaments which is of course included in this; there are large-scale bilateral and multilateral objects, and Mr Fergusson's report aims at having this aspect included in the European industrial policy. We think this makes sense in the light of Mr Glinne's call for the creation and safeguarding of jobs and therefore support plans to this effect.

May I in conclusion follow on Mr Bangemann's statement with a further point. We took a decision yesterday on the supplementary budget, the importance of which should be appreciated by Council. We wanted to give Council the opportunity to fit into a Community scheme what it wanted to do and had so painstakingly negotiated. We consider that helpful and only hope that when Council comes to analyse carefully the decisions we took, it will recognize that Parliament has provided it with a unique chance to make advancements in the Community rather than encourage further disintegration. With this in mind we hope that the Danish Presidency will leave no stone unturned to show clearly how important it is to make progress in the Community.

(Applause)

Mr Prag (ED). — I would like to congratulate the Ministers on some of the things they have done and which were announced by Mr Ellemann-Jensen — the agreement with the United States on steel, the settlement of the conflict with the United States on the pipeline — these are two very substantial achievements of vital interest to the Community countries' economy, including that of my own, and we should not forget that for the United Kingdom the possible ban on imports of European steel would have involved exports to the United States of 400 000 tonnes of British steel worth 200 million pounds a year. We owe the Community a great debt and particularly the German Government which sacrificed some of its own interests in order to achieve a united position.

But, while the Council has achieved a great deal, it is also essential to look at what it has not achieved. It has not really done anything to get rid of those problems which have caused it to be at the centre of the Community's failure to take a more active role in the world. The mutual trust and the genuine open dialogue that we want between East and West can not be achieved unless the Community is much stronger, unless the Ten are much stronger than they are. For instance, in Madrid I am afraid that the Soviets will sign the new document with the same total cynicism as they signed the Helsinki Final Act. And we in the Community will accept it because we do not have the adequate instruments of political cooperation to present a viable, cohesive and coherent strategy.

I should also like to turn for a moment to the United Kingdom budgetary measures and my group's saddened reaction as expressed last night by Mr Balfour.

Prag

As I have said many times in this Parliament, the United Kingdom wants a long-term solution in full conformity with the concept of own resources, but this solution must be within the framework of a sensible budget balance and a sensible balance of policies. There must be short-term measures until the Ten can agree on the long-term measures. There has never been any question for the United Kingdom of a *juste retour*. That is not and never has been the aim. What the United Kingdom wants is a fair system. Not a system whereby there is an adverse — a perverse — resource transfer from the poorer countries of the Community to the richer countries. That makes no sense in any system — federal, confederal or a Community system — and it does not occur anywhere else in the world.

I turn to the Genscher/Colombo proposals for a European Act. Despite the bland words of Mr Ellemann-Jensen — and one cannot blame him for them because we know that he can only say what he is allowed to say and he can only refer to what has actually been done — we all know that the Ten have got nowhere on the three key parts of the Genscher/Colombo proposals that he mentioned — (a) the interminable discussions in the Council in the search for unanimity and the acceptance of the initiative-smothering veto even for the most minor technical matters (b) relations with the European Parliament and (c) adjustments to the Treaties.

Of course it is not the fault of Mr Ellemann-Jensen but it is partly the fault of the miserably negative attitude of his predecessor.

The attempt to make the Community more flexible, more responsive, more effective, more active and to get rid of the tendency to inertia and non-decision which has characterized the Council over the years and which it has built increasingly into its procedures is probably the most important task now being undertaken. And that is why not only the Council's deliberations in this field but also those of this Parliament's institutional committee are crucial to the future of our Community. We cannot accept that this Community of 720 million people, an economic giant — indeed the most important economic grouping in the world — should continue to be a political dwarf. We cannot accept that it should continue to be an instrument for putting off decisions instead of taking them, an instrument for dither and dather instead of effective action.

In the economic field no one can contemplate with equanimity the existence of over 11 million unemployed. The despair and misery of the many who have been out of work for over a year is great. But imagine the despair of those young people who have never had a job and feel that they never will have a job. I believe that the Community, which already plays a major part in the field of training and in regional policy, can greatly increase its role. It should be producing not just palliatives at the margin but a genuine instrument

for recovery. The curious thing is that the Community provides the instrument for such a recovery — an instrument which is not being used. We know that if a single country revives demand, not only by putting more money into the pockets of the people but by easing credit terms, cutting taxes, infrastructure investment or, more foolishly, by letting wages rise, then it risks both inflation and a sharp increase in imports. But there is no reason why this should happen if we do these things together and that is what the Community is signally failing to do. This is a failure of the Council of Ministers. And that is why the chairmen of the six economic committees of this Parliament have decided to appoint four distinguished economists whose names will be announced in a few days time to undertake the analysis of why the system which gave us twenty-five years of unsustained economic expansion is not working. No one has done the job and the Council has signally failed to take the opportunity to use the instruments available. We must stop the return to petty nationalism and make this Community work as it was always intended to, as the most efficient instrument that our Member States have at their disposal both for economic recovery and for political influence in the world.

Mr Segre (COM). — (IT) Mr President, Mr President of the Council, if we look back over the past year, which is now in its last days, it must immediately be apparent that, in the face of many critical developments — some of them acute — political cooperation has stood the test, and the Europe of the Ten has shown its own personality more clearly, especially in its relations with the United States.

For international relations as a whole, 1982 was a year of paralysis and stagnation. It was, therefore, easy for the Ten to take the line of wait and see — or, to put it in classical terms, *quieta* (or rather *inquieta*) *non movere*. But will this approach any longer be sufficient, now that there are so many indications — albeit weak, and even basically contradictory ones — that in this situation of immobility and paralysis, something is once again starting to stir?

That is the question, and it appears to us to be of central importance, not so much in relation to any verdict on the six-month Danish Presidency, but more in anticipation of the discussion on the programme for the half-year under German Presidency — although, of course, it would be a mistake to base the process of political cooperation and European construction on six-monthly or other periodical spells of office. Europe, as we all know, stands at a crossroads, in a climate of grave crisis. A serious economic crisis holds the West and also the countries of Eastern Europe in its grip. There is a crisis of confidence. There is an East-West crisis, a North-South crisis, and hence an East-East crisis and a West-West crisis too.

We Italian communists wish to re-emphasize here, as we are also doing with a view to our party's national

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congress in the near future, the very critical view we take of events in Eastern Europe. In the crises — some tragic — that followed one another we have again recognized the fundamental fact that, so long as people remain surrounded by authoritarian structures and methods, and inflexible ideological schemes, there is no room to express the creative innovations that are needed.

Having said this, however, I think we must have the strength and ability — as the European Economic Community, a body involved in a process of political cooperation — to recognize that we lack political will and conviction — and, in passing, I seemed to notice a serious omission also in the report of the President of the Council, regarding the Argentine and the tragedy of the *desaparecidos*.

Many things are on the move: what is happening in Poland — and we shall have a more complete verdict on this on Thursday — indicates that the situation today is not what it was a year ago, even though it still remains grave. Something seems to be happening at Geneva, where the last proposals from Moscow received an attentive, and, from many standpoints, open welcome from President Reagan in his speech last night. Something also appears, perhaps, to be happening about Afghanistan; and something also seems to be happening regarding the preparations for the final stage of the Madrid Conference. Above all, great anxiety is spreading throughout the world, regarding the prospects of a dramatic arms race.

Faced with these new signs, we ask emphatically that, as we enter this new year — which might, after so many years of stagnation and crisis, be a year of positive steps to restore the international situation — Europe, confident in its own strength, should faithfully discharge its own responsibilities, with measures adequate to the tasks that lie ahead in this field.

(Applause from the Communist benches).

Tove Nielsen. — (DA) Mr President, Mr President-in-Office, the fact is, that in the European Parliament we work from an ideological basis and not from national feelings. But in spite of all this as a member of the Liberal and Democratic Group of the European Parliament allow me to express my delight in the fact that it was in fact the Danish Presidency that received so much praise today.

I know that a difficult situation existed when the Liberal-Conservative government took office in Denmark a few months ago, and I think we ought to express our full admiration for the fact that they jumped directly into the work and were present within a few days, both in the European Parliament and in the various committees. I wrote some articles about the importance of the fact that the new Danish Government understood the absolute necessity of the fact that the

Council of Ministers and the European Parliament managed to create a sensible cooperation, and that they respect each other. We may have different points of view — which we certainly do have in some areas — but if we are to achieve something sensible through our work we must respect one another. Therefore I have been very pleased to see that the Danish ministers in their capacity as President-in-Office have been very diligent in appearing at the meetings of the various committees of the European Parliament. I can assure you, that whether we agreed or disagreed about some things that were said, a large number of our colleagues have appreciated very much that the Danish Presidents-in-Office have shown such a high degree of interest in the work that goes on in the various committees of the Parliament. Therefore, I think that one should be allowed to give thanks and express the wish that this attitude will be carried over into the next Presidency.

After all that, I will pass on to another point mentioned by the President-in-Office. That is the cooperation or dialogue with the various countries in the Middle East. As you know, the European Parliament has a delegation which has a connection with the Israeli Parliament, the Knesset. I have the privilege to be the chairperson of this delegation, and I do not think that the President-in-Office is quite unfamiliar with the fact that the Liberal Group has worked constantly and hard towards a continuation and extension of this dialogue. It is such in a democracy that one may voice one's positive or critical opinions in relevant places, and consequently I shall not hide the fact that we were somewhat worried, when the President-in-Office in the first instance only went as far as the Lebanon and Jordan, that is to say, not to Israel: we were delighted when the omission was rectified, and the President-in-Office visited Israel also.

The President-in-Office finds himself in a situation where he, as a former journalist is very much aware of the fact that certain isolated quotations uttered in quite another and, of course, sensible context may be used for the opposite purpose. Therefore, I must say that having heard the extremely well-balanced statement that was made today, I do feel far more at ease with the opinions that are prevalent in the Council with regard to a continuation of the contacts with our Israeli friends. Here the President-in-Office has been able to edit his own opinions, and he has not been dependent on certain journalists who have been able to find so-called sensational remarks, and I naturally realize that the President-in-Office and the Danish Government have not been immune to these either. But, as I said, let there be no doubt that we in the Liberal Group are delighted that Israel has also been included and that it will become a country with which one will continually build up contacts. This is essential, because all of us want peace for everyone in the Middle East. Therefore, in the name of democracy, this dialogue is so essential.

Nielsen

Finally, I would like to say, that it seems to us as if the Danish Presidency has succeeded in giving priority to those tasks relevant to the Council in a much more sensible way than was initially apparent at the beginning of the latter half of 1982. As also mentioned by the chairman of the Liberal Group, Mr Bangemann, what pleases us, is that one is willing to do something about unemployment, and that one understands that the only way to create more jobs is by doing something for the productive businesses, by releasing the public sector of its far too large burdens, and ceasing to pour more and more funds into the public sector. We must work ourselves out of the present situation, and this can be done first and foremost by investing in those jobs that have a future. Therefore it is very necessary that we look upon new technology as a challenge, that we use it, and that we create a fairer competition within our own internal market, and also in the large world market. That is what will help us out of this economic crisis that is common to us all.

Therefore, from the Liberal Group, and very much so from the Danish Liberal members, let there be heard our thanks, because we feel that the Danish Presidency has shown there is a way out of the present economic situation. Thank you for a job well done. Good luck to the new Presidency.

IN THE CHAIR: MR DANKERT

President

President. — The debate on political cooperation and the other item linked to it will be resumed after the debate on the declaration of the European Council.

For the declaration I warmly welcome here in our midst the Danish Prime Minister, Mr Schlüter.

(Applause)

I am glad he has been able, as were some of his predecessors as President-in-Office of the European Council, to be here in our midst because it is getting to be a tradition and I would like to call him now to make his declaration.

(Applause)

Mr Schlüter, President-in-Office of the European Council. — *(DA)* Mr President, ladies and gentlemen, I am glad to have this opportunity of reporting to the European Parliament on the discussions at the European Council meeting in Copenhagen on 3 and 4 December 1982. I consider this practice to be a good and useful one.

The meeting in Copenhagen took place at a time when international cooperation is marked by major and glaring problems. Against this background, it is remarkable — and proof of the strength of European cooperation — that important conclusions could be reached at the meeting.

The Ten agreed to strengthen their cooperation and to stand together at a time when considerable unrest and insecurity haunt the world. The solidarity shown here is of great value and will help resolve the great and immediate problems the Community is facing. This applies both to our own internal cooperation and to the Community's participation at broader international level in negotiations and discussions of various kinds.

Moreover, constructive outlines are gradually emerging of a common understanding of and a common attitude to the major economic and social problems which all the Member States are facing. Although such a joint attitude may not immediately solve the problems, it is a precondition for the subsequent framing of the necessary concrete proposals for progress in a number of sectors of the Community's activities.

The economic and social situation was the first item on the agenda for the meeting. This is hardly surprising in view of the major problems all the Member States are facing. The economic recession has gradually taken on the proportions of a real economic crisis. This is apparent in all sectors — employment, production, balance of payments and national budgets. The only encouraging sign is a drop in the rate of inflation.

A recurring theme in all the speeches delivered at the meeting was that there were no signs of an improvement in the economic and social situation — rather the opposite. Particular stress was laid on high unemployment. A figure of 11 million unemployed in the EEC and the prospect of an increase to 12 million is not only alarming but also unacceptable. This situation must be eased by the creation of durable jobs. All participants stressed the need for an increase in the level of investment, i.e. productive investment, and agreed that it was the key to future economic development.

A number of priority goals were listed. The chief ones are as follows:

- the restoration of economic stability, which means the removal of imbalances and distortions in the Member States' economies, which were the chief factor behind the negative economic development;
- the encouragement of productive activity, i.e. an increase in production with a view to attaining higher economic growth, which contains the seeds of higher employment;
- the strengthening of the common market in order to profit fully from the advantages offered by a large European market of

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260 million people. We can step up our efforts and make greater use of this vast common market than we have done up to now;

- increased possibilities for the employment or training of young people so that a rapid contribution may be made in a more practical way.

I am aware that these are general aims. It is therefore to be welcomed that it has been possible to decide on more specific actions, for which a timetable will be established.

Before the end of March 1983, a decision will be taken on the measures proposed by the Commission to reinforce the internal market.

Agreement will be reached rapidly and before the next European Council — i.e. March 1983 — on the Commission's proposal to expand the New Community Instrument by a further 3 thousand million ECU so that the total loan limit is 5 thousand million ECU.

The Council will expedite adoption of the Commission's proposals in the fields of research, innovation and energy.

The Council will give urgent consideration to the Commission's proposals concerning vocational training or employment of young people and on the reorganization of working time.

The Council will report to the European Council meeting in March on the implementation of this work programme.

The enlargement of the Community by the accession of Spain and Portugal has been on the agenda of the European Council for quite some time. Progress has been made in a number of areas. But it is clear that the negotiations are not proceeding as fast as is desirable. But it is to be noted with satisfaction that the European Council has reaffirmed its political commitment to the enlargement of the Community with Spain and Portugal and that the negotiations with both countries are to be pursued as rapidly as possible.

I would like to draw attention to the specific fact that the Agriculture Ministers have been instructed to complete urgently, and before March 1983, the revision of existing rules for certain Mediterranean products on the basis of Commission proposals.

The Commission has presented an inventory of the enlargement negotiations. The European Council welcomed this inventory, which in its view constituted a new impulse to the enlargement process.

On the subject of relations with third countries there was agreement on the need for an expansion of international cooperation. Two specific points were

stressed. Firstly, an increase of International Monetary Fund quotas should improve the international payments situation. Secondly, the outcome of the GATT ministerial meeting was welcomed. At the same time it was confirmed that the Community was ready to contribute constructively to the continuation of proceedings within GATT.

Relations with the USA in 1982 have not been without their difficulties. Nevertheless talks and negotiations have continued and have led to the solution of a number of specific issues. At the meeting of the European Council it was agreed to pursue the constructive dialogue with a view to ensuring solid and confident relations between the Community and the United States. In some important sectors much substantial work along these lines has already been got underway since the Copenhagen meeting; I am thinking in particular of the problems of the production and sale of agricultural produce.

Trade relations with Japan were also dealt with in the conclusions. At the meeting the need to change the unsatisfactory balance of trade between the Community and Japan was mentioned.

In general the European Community is convinced that unified and coherent Community positions are more than ever necessary.

The developing countries are perhaps the group of countries hardest hit by the international economic recession. Against this background it is useful and pleasing that the Commission has taken an initiative in the field of the Community's relations with developing countries. The Community must take its share of responsibility for assisting economic development in that part of the world. This must be expressed in many fields. In the conclusions specific mention is made of the forthcoming negotiations for a new ACP Convention.

Furthermore, greater economic growth in the developing countries will help towards an economic upturn on a wider international level.

Discussions on the common fisheries policy were brief and mainly of a procedural nature. In the conclusions it is stated that agreement must be reached at the Council meeting on 21 December 1982.

The European Council also discussed a number of foreign policy questions. The discussion centred on East-West relations, covering the Conference on security and Cooperation in Madrid, Poland, Afghanistan and the situation in the Middle East, including Lebanon.

As regards *East-West relations*, the European Council discussed recent developments, first and foremost in the light of the change of leadership in the Soviet Union. The governments of the Ten emphasized that

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their relations with the Soviet Union would continue to be based on the same principles of firmness and dialogue. They called upon the Soviet Union to make the necessary contributions to improve confidence in international affairs and stated that the Ten were ready to respond positively to such efforts and to work together with the Soviet Union and the countries of Eastern Europe for a more constructive East-West relationship.

Therefore, the European Council expressed the hope that all participating States in the CSCE meeting in Madrid would take the necessary decisions to permit the meeting to arrive at an early and positive conclusion.

With this in mind, the Ten confirmed their commitment to real progress in Madrid by negotiating a substantial and balanced concluding document which will contain a precise mandate for a conference on disarmament in Europe as well as further progress within the human dimension of the Helsinki Final Act. In doing so they will cooperate with other allied and friendly States including the neutral and non-aligned participating States.

The European Council then discussed recent developments in Poland and noted with regret that a large number of persons remain in detention, that martial law continues, and that the free trade union, Solidarity, has been dissolved.

The European Council also noted, however, that the recent release of some internees, including the leader of Solidarity, might constitute a step towards the fulfilment of the appeal made by the Ten on 4 January 1982.

It was agreed that the Ten will continue to follow developments in Poland closely and in particular study the implications of the possible lifting of martial law, including the conditions under which this will take place.

The European Council held a discussion on the question of Afghanistan.

It expressed the view that the new Soviet leadership could make an important contribution to the improvement of international relations in general and of East-West relations in particular by re-assessing its position on this question. The European Council endorsed the verdict of the international community on the situation in Afghanistan, embodied in four successive resolutions of the United Nations General Assembly.

It was agreed that the people of Afghanistan should be permitted to regain their national sovereignty and independence and the status of a non-aligned State.

The European Council expressed its readiness to support any realistic efforts to achieve a political solution

and recalled its own proposal of 30 June 1981 for a comprehensive settlement of the conflict.

On the basis of a report from the Presidency on recent contacts with the parties involved in *the Middle East conflict*, the European Council discussed events in that area where two aspects in particular continue to cause deep concern: the Arab-Israeli conflict and the situation in Lebanon.

As regards the *Arab-Israeli* conflict, the European Council expressed its disappointment at the delay in grasping the political opportunity created by the initiative contained in President Reagan's speech on 1 September 1982, and the will for peace expressed in the declaration made at the Arab summit meeting in Fez on 9 September 1982.

In the conclusions of the meeting the governments of the Ten called upon each of the parties to assume its international responsibilities without further hesitation. They said in this connection that they expect each of the parties to cease to ignore the United Nations Security Council resolutions and explicitly make known their approval of these resolutions.

As for *the situation in Lebanon*, the European Council continued to view it with the greatest concern. It particularly noted that in spite of the various efforts made by the negotiators on the spot, no significant progress had yet been achieved towards the withdrawal of the Israeli, Syrian and other foreign forces.

It was agreed that the persistence of this situation would constitute a threat to the integrity and unity of Lebanon, involving serious dangers for the whole region.

The European Council felt that the withdrawal of foreign forces could be of a progressive nature, but should take place within a fixed and short period of time and under conditions which would permit the Lebanese authorities to exercise fully their rights of sovereignty over all of Lebanon.

Finally, the European Council pointed out that the Ten had already demonstrated their willingness to contribute to the solution of the problems, especially by giving their support to the UN forces and UN observers sent by the Security Council as well as the multinational force in Beirut, to which two of their number contribute. It was emphasized that the Ten and the Community were likewise prepared to contribute to the reconstruction of Lebanon.

With these words, Mr President, I think I have outlined the most important discussions and decisions of the Copenhagen meeting. It undoubtedly took place at a time of serious difficulties in the development both of the world in general and of our own European Continent in particular, but I feel that I am justified in claiming that this Copenhagen meeting was an event

Schlüter

of very positive significance, in that it showed clearly that all Ten Member States are resolved on unity and that they are determined to work cohesively together and to present a united front in solving the problems of the future.

(Sustained applause)

President. — I thank the President-in-Office of the Council for his declaration on the European Council.

Mr Thorn, President of the Commission. — *(FR)* There is fortunately no need for me to go back to the detailed presentation of the results of the European Council that the Danish Prime Minister has given us. I should prefer to give you my general assessment of the way the meeting went and highlight one or two conclusions to which the Commission attaches particular importance.

But first of all, I shall confirm the general assessment made by President Schlüter — the Copenhagen session was a good one. Both the official discussions and the conversations held in a less restricted framework showed a fairly high degree of cohesion, mutual understanding and willingness to progress. Let us not forget that, for many participants, it was the first experience of a European Council, as there have been changes of government in many of our countries. This was the case of the President of the European Council himself, Mr Schlüter, the Prime Minister, and for the President-in-Office of the Council, Mr Ellemann-Jensen, whose qualities this House has already had the opportunity to appreciate. However, they both led the proceedings with authority and, let us admit, with the wisdom of old hands. They helped their new colleagues fit easily in with the rituals and customs of the European Council. So I should like to reiterate the unanimous thanks which were theirs at the end of the Copenhagen meeting.

Mr President, the European spirit manifested by all the participants and their joint desire to make progress made for rapid conclusion, without too much controversy, of the various items on the agenda. And these conclusions, let me say, were almost all obtained on the basis of and in accordance with the Commission's proposals. The conclusions are, on many points, far more substantial than the press commentaries would suggest. I shall try to prove this with one or two examples.

First, the economic and social situation. You remember that we had got into the habit of making statements, the length of which masked the absence of content. This time, the text is short, and that is thanks to the President. It also contains precise commitments and a certain control procedure. Above all, I should like to underline the decision to relaunch the internal market. The Honorable Members are aware of the

importance that our Commission attaches to protecting — particularly at the moment — and deepening our internal market, that great European market which is a factor of stability and an essential condition, the very basis for any possible recovery as far as our industries are concerned. Well, for the very first time, the governments have decided in their words to move on to action. The commitment has been made to strengthen the common market and to decide, before the end of March, in barely three months that is, on the Commission's priority proposals — i.e. a package of 30 or so regulations and directives, some of which have been in the offing for many years. To ensure these results, the heads of government have agreed, in principle, on a fairly special procedure whereby one member of the government in each country will be invited to coordinate the internal work, as we often do not know who exactly is the person to go to or which Council is competent to deal with this kind of directive. They would meet on a more intensive basis than Councils have done so far, in a special session lasting the whole of the next quarter, to work on the dossiers and take the relevant decisions. At the same time, a programme is to be set up to adopt, we hope by the end of 1983, the proposals linked to the internal market which have been discussed in a number of special Councils. In addition to this drive on the internal market, I should like to mention the commitment to strengthen the NCI, the new Community instrument. We propose to increase its endowment by 3 million ECU and to do so before the next European Council — before the end of March that is to say. I should also mention the encouragement given to work in research, innovation and energy and to vocational training and the reorganization of working time with a view to greater flexibility. A report will be made to the European Council in March on any results we have obtained by then. I think this is sound discipline and that we really can hope to achieve our objectives in this field.

The second dossier is enlargement. Mr President, I was astonished to see that the discussions that took place in Copenhagen were sometimes — too often, I should say — misinterpreted by a certain section of public opinion and even in the governments of the applicant countries.

They were seen as further delays, some kind of prolongation procedure. That is wrong, I think. On the contrary, I can tell you that the Heads of State and Government were unanimous in expressing their desire for enlargement and to achieve it as soon as possible — but in good conditions. And above all, they decided to deal, once and for all and in a determined manner, with the basic problems which have to be solved if the negotiations are to be a success and which had been neglected for far too long. All too often, these problems have been avoided and minor difficulties and the conditions of negotiation that were a little easier to deal with have been tackled. In Copenhagen, it was problems of substance that were dealt with — as you

Thorn

have just heard once again. The inventory the Commission transmitted last month and my colleague Mr Natali presented to you at the November part-session went right to the heart of the matter.

The conclusions, as the Prime Minister has just pointed out, deal with two of the main measures presented in the inventory — consolidation of what the Community has already achieved for Mediterranean products, fruit and vegetables and olive oil in particular — taking the most difficult things — and an invitation to the Commission to investigate with the applicant countries the possibilities of pre-accession commitments on both sides.

The Council has also been invited to take balanced decisions on the whole of the Commission report, that is to say to advance on its four main fronts — new own resources, the strengthening of the Community institutions, the strengthening of Community achievements and, as I said, possible pre-accession commitments.

So it is the European Council which deals with the political opening of the Community — and we could expect no more or less than that. Dossiers that have been tucked away in experts' files will at last be able to be the subject of political discussion — and I hope these discussions really do take place. There is a possibility of giving the negotiations a new style and, I hope, a new pace. The new German President and the Commission will have to capitalize on this breakthrough achieved under the Danish President. My colleagues and I will do our best to see that the report submitted at the European Council in March is a substantial one.

The third and last dossier is relations with third countries. Ladies and gentlemen, at a time when relations between the countries of the west are going through a difficult period — and I am thinking particularly of our relations with Japan and the USA here — the European Council has expressed itself with moderation, as I believe was right, but with firmness and clarity. It has pointed to our fundamental solidarity with our great allies, our desire for dialogue — and our determination to defend the interests of Europe and our citizens when they are threatened. That which unity and entente among Europeans has enabled us to achieve in the recent past — both the steel arrangements and the raising of the sanctions on the gas pipeline — is proof, ladies and gentlemen, of the negotiating ability of the European institutions. It is proof of the force with which Europe can speak when it decides to speak with one voice and of the virtues of dialogue in achieving balanced solutions. The meeting we had with the American Secretary of State and four other members of the US Government five days ago took place in a similar context — fundamental solidarity, mutual confidence and determination and desire for a specific, factual dialogue on concrete problems. The quality of these talks suggests to me that we will

be able to progress in our relations with the USA, along the lines laid down by the European Council, even if, as seems logical, it is not easy. I also hope we are soon able to establish a dialogue with the new Japanese Government. This will be more difficult, but, I hope, more fruitful and, ultimately, a way to correct the excessive imbalance in our trade with Japan.

I shall not insist on the other points brought up by the Danish Presidents, although I in no way wish to underestimate their importance. I simply hope, Mr President, that I have shown you that there is a certain amount of movement, there is change in the air — and, let us hope, a genuine political desire has been expressed. As the sportsmen say, we have scored a try. It has to be transformed. As a rugby player might say, the ball has to be followed through. The Commission will be doing this before the next summit.

(Applause)

Mr Ziogas (S). — (GR) Mr President, with regard to certain foreign policy issues such as East-West relations and the situations in Poland and the Middle East the meeting of the European Council in Copenhagen on 3 and 4 December produced conclusions which we find interesting.

On the other hand we believe that the European Council did not even discuss the adoption of a clear and realistic policy stance on the issue of relations between the Community and the Third World. I refer in particular to the poorest of the Third World countries whose plight is truly tragic. These countries are already indebted to the tune of 600 billion dollars and their populations suffer hunger and lack the most elementary consumer goods. The Community must take on a much more substantial role and devise specific programmes to aid the development of these countries. I must also make the point that these countries expect greater understanding and support from the Community. This was also the message emanating from the joint ACP/EEC Consultative Assembly in Rome.

Another point I wish to comment on, Mr President, is the ending of the sanctions which the American Government had declared over the Soviet gas pipeline issue. The lifting of these restrictions will contribute to a lessening of tension between the two super powers and will assist East-West trade, while at the same time making the political climate more conducive to the further development of commercial, economic and cultural relations.

On the outcome of the GATT ministerial conference we believe that the position taken by the Ten was a firm one, and we agree that the structural weaknesses of the world economy pose a very real danger. It is, however, the less-developed countries which suffer the consequences of these weaknesses and it is high time that practical measures were taken to create a more

Ziogas

just world economic order. Mr President, the European Council also gave special attention to the question of protectionism. The Community really must protect its interests in the best way possible and it must duly adopt a joint position towards the United States and towards Japan.

Disagreements between Europe and the United States are rooted in conflicts of interest and will cease only if Europe exerts pressure for a new balance of interests in which there will be respect for differing opinions and assessments. Otherwise, the disputes will continue to occur, manifested each time in the context of a different problem such as has happened, for example, over European steel exports, the construction of the Soviet gas pipeline and, after these, exports of agricultural products, etc. At the same time, however, the Community must sort out certain of its own internal matters, relating to the trade of Member States, which are seriously hindering the balanced growth of national economies.

Mr President, at some point we will have to seriously examine the problem of the truly enormous difference that exists between the industrial and economically powerful North and the economically backward South.

As a member belonging to PASOK, Mr President, I would like to remind the House of the statement made by the Greek Prime Minister, Mr Papandreu, concerning Cyprus.

The Greek Prime Minister drew the attention of his colleagues to the worrying deadlock over the Cyprus problem and pointed out the dangers attached to the process of the 'dialogue' in its present form. He reminded them also that Turkey is not respecting the resolutions passed by the United Nations, and highlighted the introduction of the Turkish pound as the 'official' national currency in the occupied part of Cyprus. Mr President, I believe that this statement by the Greek Prime Minister gives us all an opportunity to concentrate our thoughts on the problem of Cyprus, a country which is associated to the EEC.

It is quite obvious, Mr President, that the continuance of the present unacceptable situation threatens peace in the whole eastern Mediterranean area.

Mrs Cassanmagnago Cerretti (PPE). — *(IT)* Mr President, Mr President of the Council, Mr President of the Commission, ladies and gentlemen, the change of atmosphere to which the President of the Council and the President of the Commission have referred has not been echoed in the press and information media, least of all in my country.

Other members will be speaking on this subject but, having just come from the European Congress of the Federalist movement, I expected better things. In my

view the European Summit failed to formulate precise policies and take clear decisions regarding the action necessary in order to bring about any appreciable improvement in the employment situation which, as we know, is the priority problem of the European Community. Although it again confirmed its determination to bring about the necessary economic and financial revival, and again stressed the need for greater convergence and economic stability within the Community — with a revival also of investment and a facelift for the internal market — the summit meeting once more avoided the basic problem.

I should have liked the President of the Council to be present at the meeting we had with the young unemployed, so that he could have checked with them whether these declarations, which we have been listening to for three years now, are sufficient to provide a ray of hope for the unemployed.

The summit also flew the flag of European unity without, however, proposing any concrete measures. In the social sphere the only questions to be discussed were the young, the labour market and the reorganization of working hours; these are important questions, but they represent only part of the problem, and a very limited part at that, in relation to the unacceptable situation where there are eleven-and-a-half million unemployed.

On 27 October, during a meeting devoted to preparations for the Jumbo Council, the Standing Committee on Employment organized a meeting between the Ministers of Labour and the Commission, for coordination purposes. That meeting took place in an atmosphere of confrontation, stirred up by the trade union representatives because of the restricted scope of the agenda. Instead, it should have been the time to examine in detail what action the Community and the Member States should take to combat unemployment.

One thing is certain: the threat of further job losses is imminent. The press has recently told us that 26 000 jobs in the iron and steel industry will disappear in France; between 8 000 and 10 000 in Italy, again in the iron and steel industry; 14 000 in the chemicals industry in Italy, and so on. The reorganization of working, Mr President, which has been called for since 1979, is proceeding at a snail's pace, as far as the reduction of working hours and a new form of work distribution are concerned. The other measures that go along with these — such as part-time working, early retirement and voluntary work — can only have a marginal effect on employment. Certainly, they are necessary measures, but it would be a mistake for anyone to think that, on their own, they can provide a solution to the unemployment problem.

From this standpoint the statements emanating from the Copenhagen summit in favour of young people represent no more than a partial approach to the problem of unemployment taken overall. Peace — which in

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our view is the basic question with which the European Parliament should be concerned — is dependent on Europe's ability to give security to a rising generation that wants its own niche.

The Commission is asking us to consider its proposals for amending the European Social Fund. Here again the problem of the young needs to be very carefully assessed where vocational training connected with remote data processing is concerned, in order not to create a new limbo for young people without a job to go to. There is no mention, Mr President of the Council, of small and medium-sized firms, or cooperatives in sectors capable of creating jobs. No measures planned to start making use of their economic and competitive potential. The European Parliament, through its own Bureau, has decided to hold a new debate on the subject next March. I should like to see the other two institutions draw up operational programmes before that debate.

Sir Henry Plumb (ED). — Mr President, may I first of all, on behalf of my group, extend a very warm and a very personal welcome to Mr Schlüter. It is a very particular pleasure for me to say, in reply to the statement that he has made today, that we have been very encouraged by the outcome of the recent European Council meetings and that we are encouraged by the statement that the President-in-Office has made today.

I say this, Mr President, for two reasons. First, the Council seems at last to have learned that the Community cannot hope to be a force in world affairs until we resolve some of our internal problems. Secondly, I believe that the conclusions from the Council are evidence of a new determination to get back on the road towards greater unity in Europe along the lines laid down in the Treaties. This obviously must be right. My only regret is that governments should have taken so long to learn what this Parliament has told them so often, namely that in respect of every problem which we face the solution with the best chance of working is the one that we have drawn up together.

So, let me concentrate for a moment, Mr President, on two issues in particular. This Parliament knows how much importance my group attaches to the creation of the internal market both for goods and services. Accordingly, we welcome the fact that governments now regard this as one of their priority goals and have committed themselves to reaching decisions on the Commission's proposals by March 1983. We will hold them, I hope, to that particular commitment. My group believes that the creation of the internal market is fundamental to the process of integration and more particularly to the prospects for economic recovery in Europe.

Secondly, we welcome the emphasis laid by the European Council on relations with third countries. To be frank, it was high time that governments had a look at

the totality of our relations with the outside world. This is part of the responsibility which the Community carries as a major economic power and of the obligations we owe to developing countries in particular. The Community cannot hope to be an island of prosperity in a sea of recession. Nor can we expect to avoid the economic consequences of being on bad trading terms with the other major industrialized powers, particularly the United States and Japan. Of course, it is too early to say whether the European Council has turned the protectionist tide, but the evidence for the moment is that it has stemmed it. We look to Mr Kohl and Mr Genscher to carry on the good work. So, for once the European Council has proved itself capable of being the driving force which we were promised when it was first set up by the Paris Summit of 1974.

However, it has not escaped our notice that three of the most contentious issues on the Community's agenda were not discussed in any substantial way in Copenhagen.

I refer, of course, to the problem of convergence, the fisheries dispute and the Genscher/Colombo proposals for institutional reform. I am encouraged, Mr President, by the statement the President-in-Office of Council has made today on adopting the Commission's proposals in their programme on research, innovation and energy, and I hope that these views will be taken up in the discussion that is taking place later today, in particular by the Ministers of Finance.

On the problem of convergence, I cannot let this opportunity pass, Mr President, without making my group's position absolutely clear, particularly in the light of last night's vote. My group, the British Government and this Parliament are all determined that there should be a long-term and an equitable solution to this problem. I was delighted with the response of colleagues last night to the comment in the explanation of vote by one of my colleagues and the group spokesman on budgetary affairs, Neil Balfour, when he said very clearly that he hoped that this would not be seen as an anti-British vote.

Ideas for a solution have been put forward in this Parliament, notably in the Lange resolution of 1979. The prospects for such a solution depend in the final analysis upon agreement at the level of governments. Regrettably the only Member State to give consistent support for a new and a fairer system for financing the budget as proposed by the European Parliament has been the United Kingdom. Surely then we should use tomorrow's vote on the supplementary budget to further Parliament's ideas without penalizing the Member State which both suffers from the present arrangements and supports Parliament's original proposals. However, if yesterday's vote on Mrs Barbarella's report is carried through into a rejection of the supplementary budget, then in my view this Parliament will have succeeded only in destroying the prospects for

Plumb

the amicable settlement which we all want and which the Community so desperately needs. And so my group remains deeply committed to the principle of an increase in Parliament's budgetary powers.

What is really at issue here is the particular question of classification, and I believe that this question, although important, must not stand in the way of a solution to the far more serious difficulties which face the whole Community in the event of a failure to agree on convergence. This Parliament, Mr President, must also realize that failure on its part to come to terms with this problem, which is not only extremely important for my country but a matter of profound concern to the whole Community, will have a very damaging effect on its credibility as a forum within which disputes such as this can be satisfactorily settled.

On fisheries, I shall say no more than that I hope — and I am sure we all hope — that agreement is indeed reached on 21 December. In passing let me add how absurd it was to see Prime Ministers arguing or apparently arguing over mackerel quotas, as they appeared to last month. We can all agree that fishing is an important industry, but what a sad reflection it is on decision-making in this Community to see this kind of thing being debated, may I say, by Prime Ministers.

And that brings me, Mr President, to the Genscher/Colombo proposals. My starting point in this debate is the self-evident need to streamline the Community's decision-making process. At the moment we have a system characterized by elaborate checks and balances to safeguard national interests. There are too few safeguards for the Community's interests. And obviously, as a Parliament, we also want proper democratic control over the big decisions taken at Community level. All this of course takes time, and in today's fastmoving and complex world the penalties can be heavy for those who are slow to make up their minds. This problem will not be made any easier by enlargement. And I hope it will be high on the agenda of the next meeting of the European Council. In his remarks after the Copenhagen meeting, Mr Schlüter very wisely invited the commentators not to judge each European Council separately, but as part of a continuing series. Well, of course I agree with him, and I would only add that if all the meetings in the series were as amicable and as productive as the one which has taken place under his presidency, then the European Council would really be earning its place as an expression of our will to work together at every level.

Mr President, I cannot let his occasion go by without drawing Parliament's attention to an anniversary which will otherwise go unremarked. I welcome particularly the visit of Gaston Thorn to my country to very successfully mark the occasion, and we look forward to further visits. This session sees the completion of ten years' activity in this Parliament on the part of British and Danish Conservatives in particular. By a happy coincidence, this anniversary occurs in the pres-

ence of Mr Schlüter who as leader of the Danish Conservative party has done so much for the cause of Europe in his own home country. I should also like to pay tribute to the work of all my predecessors in the European Conservative Group. I will not pretend that they have been ten easy years, but if they have confirmed one thing, it is that this Parliament has a great future and one in which we look forward to playing, Mr President, a very full part.

(Applause)

Mr Fanti (COM). — *(IT)* Mr President-in-Office of the Council, I, too, should like to associate myself with Sir Henry Plumb's words of welcome to you amongst us here today, but, unlike him, I must say at once that we, as Communists, find ourselves obliged yet again to pronounce a critical — indeed, a highly critical — verdict on the meeting of the European Council in Copenhagen.

I shall restrict my comments to the internal problems of Community life, since other members of my group — Mrs De March and Mr Segre — have spoken in regard to problems on the question of political cooperation.

The list of priorities contained in the Presidency's summing-up, which are now submitted for our consideration, undoubtedly contain declarations of good intent regarding employment, investment and energy. However, these declarations are not accompanied by any clear and precise indications as to what is wanted, or the manner and timing of their implementation. Generalizations are the order of the day, or once-again-repeated commonplaces, with decisions being referred back to a Council that has so far repeatedly shown itself incapable of making a decision. There is a veritable anthology of commitments, such as 'this will result in', 'the Council will speed up', 'the Council will discuss', 'the Council will refer', etc. And I really cannot understand the optimism shown by President Thorn in his speech — perhaps he was satisfied by these declarations of good intentions. Nor am I sure that Commissioner Pisani, for example, will be equally happy at hearing the Council describe as 'useful' the memorandum that he presented on behalf of the Commission, which took so much work and involved so much commitment. That would be the last straw, if the Commission produced documents that were not useful!

But what is to be done? Once again we have that strange vicious circle, which has paralysed the life of the Community for far too long now: the Council of Ministers remits decisions to the European Council, and the European Council remits them back to the Council of Ministers. It is time this undignified farce was brought to a close. But how? We, the political parties of the European Parliament, certainly cannot allow all that to continue. It is time, therefore, for us

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to get down to brass tacks in our debate with the Council, and get away from the verbal hypocrisy that afflicts us.

First of all, it should be remembered that none of the points listed generically in the summing-up of the Presidency implies any special problems of detail, or requires investigative study. The Council needed only to reach a decision, on the basis of the proposals already put forward months and months ago by the Commission and by the Parliament, in relation to each of these points and questions. The problem with which we have to deal is essentially one of political will, of making hard and fast decisions and suiting actions to words.

And that is not all! This putting-off of decisions, this inability to decide, is in reality a deliberate policy. And, alas, it is the policy of the low profile, the search for unity at the lowest level, so that we end up in the absurd position of hailing, as a positive achievement, the fact that the Community is still in one piece and is not yet dead and buried.

How, for example, can we take seriously the determination to strengthen the European Monetary System when, a few months back, the Council shelved the proposals on those lines that the Commission had put forward, and we supported? How can the declared intention of reviving investment be reconciled with the obtusely restrictive attitude of the Council on the occasion, amongst other things, of the debate on the 1983 budget? We should ask the Council what has become of the studies and discussions following the famous mandate of 30 May 1980! Nothing more is said about them. Nothing more is said about the reform of existing policies, especially the CAP. Perhaps the Council considers that everything is now settled, with the financial handouts to Great Britain and very likely West Germany? That is a grave mistake, an example of political short-sightedness that we shall firmly oppose, as witness yesterday evening's vote on the amendments to the 1982 supplementary budget, and the vote on the Barbarella resolution.

What will this Council do today? Will it accept the vote of the great majority of the European Parliament, or will it choose instead to cause another acute crisis in the life of the Community? In our view, there is one conclusion to be drawn from the Copenhagen Summit: the present structure, the way the Council operates at present, is no good. The Community has no guiding, controlling force, no body capable of steering it towards clear-cut objectives, arousing consciences, mobilizing political and social forces, and directing them with sure steps towards the goals that today's serious and difficult world situation demands.

If the European Council, and with it the Council of Ministers, is not able to give the Community greater credibility and hence greater cohesion, it will be incapable of successful action even in its dealings with the

rest of the world. Granted, the unity shown by the Ten in the recent GATT negotiations was an achievement, but during the European Council meeting at Copenhagen a number of cracks have already appeared. The adjournment of the Euro-American agricultural dispute is also another achievement, leaving room, as it does, for negotiation: but this negotiation, like the talks with Japan, will only yield positive results if the Community is able to rise above its own internal differences and put new life into common policies.

The Community can do it. It can make a start, for example, by broadening and developing the policy of the European Monetary System; by promoting a common investment policy, particularly for those sectors most in need, and a common policy to combat unemployment. By doing, in other words, what both the Commission and the Parliament have constantly been proposing, with concrete suggestions, for a long time.

1983 will be a decisive year for the success or failure of the Community, both with regard to its international relations and to the manner in which it will have to face up to the economic and social crisis that we are now experiencing. There can be no doubt that the political parties of the different countries and the Community — particularly the European Left, the democratic forces — have a great task before them: an arduous task, which must be faced with a determination that is lacking today, and that the European Summit has again shown to be beyond its powers.

(Applause)

Haagerup (L). — *(DA)* Mr President, may I, like so many of my colleagues in the Liberal Group, express my delight in seeing the Danish Prime Minister here, in his capacity as President-in-Office of the European Council. And let me say, that the fact that the Chamber is not filled to bursting point should in no way be interpreted as a lack of interest and a recognition of the Prime Minister's presence here. This is, as you know, a week where we vote incessantly on the budget, and if this debate has a weakness in its appeal then it may be because it is not followed up by a vote, and may lead to a certain amount of travelling backwards and forwards. I dare to make the assumption that in principle it may not be so different from the situation in the Folketing in Copenhagen.

As regards the institution which the Danish Prime Minister is representing here — the European Council — then it is not unknown to the Prime Minister that in a way we look upon it with somewhat mixed feelings, and we are a little ambivalent towards it. It is not something which is mentioned in the Treaty, and at times we are a trifle formalistic here. But we have, however — if I may say so — learned as time progresses, not only to live with, but also to appreciate the work done in the European Council. And that the work of the European Council in many ways has

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turned out to be a useful mechanism in the form of superstructure for that which is defined in the Treaty and for political cooperation. I do think that the Members of this Parliament are appreciative of this in a more positive way than was the case initially where one had, and maybe still has to a degree a certain doubt about the European Council as an institution which stands a little apart.

The Prime Minister mentioned the unity and the solidarity which was expressed at the meeting in Copenhagen. I would like to express my appreciation of this, but at the same time warn against the gap which can develop between serious and well-meant words and a lack of results, which several of my colleagues, most recently Mr Fanti, have spoken about so convincingly. It is necessary for many reasons — also of course, to progress at all in finding a solution to the many problems — that one gives substance to the EC work. The Danish Prime Minister and the Danish Foreign Minister know as well as I do that it is necessary not at least in our country that there be some substance to the organization in order to explain that the EC is a reality, a political living reality which also has importance for us. I would like to express a compliment to the Danish Prime Minister, to the Danish Foreign Minister and the new Danish Government for a fine piece of work in doing exactly what I here ask for, the creation of a better understanding of Denmark's Europe Policy not only in the rest of the world but also at home. I can only urge them to continue in this direction.

As regards a relationship with the Parliament: it has made a good impression on the Parliament and not least on the Liberal Group, that under the Danish Presidency progress has been made on the question of the common electoral system. We look forward with interest to a hopefully positive result of the Council's deliberations on the electoral system so that in 1984 in all our Member States we can go to the polls on homogeneous lines which decidedly need not be the same in all details, but which however, should be so much alike that we get a just result of the election in a homogeneous form in all ten Member States. I can only urge that the issues that the Danish Presidency has taken up will be continued in the same spirit by the German Presidency, which starts next month.

Mr President, others here in the Chamber have spoken a lot about cooperation at Community level, its positive side and its faults. On behalf of my group I would like to say a few words on EPC and express my general satisfaction with the continued evolution of this cooperation. As a result of quite a few travels outside the EC — and I have a feeling that this can be said of the Danish Prime Minister also — I can vouch for the amount of weight carried by the opinions of the Ten. I have personal experience from Africa and from the US. One is asked with great interest the opinion of the Ten on this and that and what our functions are. It may be worth noticing that this differentiation — which someone is busily occupied with at home, and

which also exists in Europe between EPC and the Community cooperation — is difficult to have understood in the outside world. I can remember speaking to an African Minister who was very well orientated and who eagerly asked me about the Ten's attitude towards Namibia. Literally in the same breath he asked: what in fact does EPC stand for? It is simply the opinion the Ten has collectively within a certain framework. The fact that this is how we are seen and judged in the world, I feel in a way can only be an incentive to — in all places — also in our own countries — be taken equally seriously. At times one has the feeling that outside the EC-jurisdiction one attaches greater importance to what the Ten say and do, than at any rate in certain quarters inside our own Community.

Mr President, may I end by saying: what a triumph it would be for Denmark, for the Danish Presidency, but above all for the Community if, in this week, in spite of the looming confrontation it succeeded in reaching a budgetary agreement which also included the supplementary budget for 1982 and through the debates that are still to take place to reach an agreement next week on a fisheries policy for the EC. Not only will I express my strong hope for this: but I will appeal most sincerely to the President of the European Council and to the President of the Council to contribute towards this aim.

Mr Israël (DEP). — (FR) Thank you, Mr President, thank you Mr President of the Council. On behalf of my group, I should like to convey our thanks for what you have done. I echo all those in this House who have expressed the sympathy with which they have followed your endeavours.

Has political cooperation progressed during the Danish Presidency? There has been no shortage of challenges. You have had to cope with deterioration of the situation in the Middle East and a new crisis in East-West relations plus an economic crisis in the western world. I shall begin, Mr President, by speaking about the Middle East.

The Community has tried to go on playing the part of honest broker. You have had the merit of recognizing that the parties in the conflict have made virtually no progress towards each other. Mr Kadoumi, one of the PLO leaders, confirmed that the PLO does not intend to make the vital step of recognizing Israel's right of existence and going on to renounce terrorism. The Jerusalem government has told you that it could see no possible way to peace outside the Camp David agreements — which stipulated, let us remember, that Israel should undertake to see that the Palestinians contribute to determining their own future. And you launched a new idea, self-determination, with all that involves. The USA is against the creation of a Palestinian State, you say; the Arab governments demand it and the Community is in favour of self-determination

Israel

and all that goes with it. What do you mean, Mr President of the Council? You mean that, even if this self-determination led to an independent Palestinian State, you would agree. So in that case, is it not your duty to decide whether self-determination is compatible with the existence and the safety of Israel?

Our group, and tomorrow our Parliament I hope, will ask you to pay particular attention to that aspect of the problem, as there would be nothing worse than blind self-determination which changed the possible State of Palestine into a Middle Eastern Cuba.

So I am shouldering the heavy responsibility, Mr President, of urging you to be careful and to re-examine this declaration of Venice, which should not become unbelievably unshakeable dogma. And I am aware of the fact that your Foreign Affairs Minister told us in Copenhagen that the European Community should not launch the plan and that it should display a certain modesty. But of course, as I must stress, we think that the Palestinians' situation has to be settled and that justice has to be done to those who suffer and aspire to dignity — all within a general context of peace and fraternity.

The crisis in economic relations between the USA and the EEC has not affected the West's determination to maintain the East-West dialogue in the framework which has existed since the invasion of Afghanistan and the state of war began in Poland. In Madrid, the European Community is trying to maintain the idea that a dialogue with the USSR is always possible, particularly on human rights, on what you call the human aspect. I do not at all agree with the use of this term, as human rights are not just a humanitarian issue.

To tell the truth, the CSCE is a far better framework than anything the UN can do in this field. So I would respectfully encourage you, Mr President, to pursue this, as the Helsinki Agreement mentioned the oppressed who aspire to greater liberty and implementation of that agreement — without really believing they will get it. Our duty is to maintain this possibility of discussion with the USSR and to preserve the negotiations from the consequences of the collapse of détente that we are experiencing today. There is still the serious question of Afghanistan. Let us say, simply, that, contrary to what some people think, nothing can be done in this part of the world without the existence of a resistance movement being taken into account. There will be no answers to the refugee problem without the agreement of the Afghan fighters. There will be no agreement or neutralization of Afghanistan without the Kabul regime being overthrown. The Afghan people are also entitled to settle their own future, Mr President.

The 24th European Summit, with a Danish President in the chair, will have been marked by a certain hesitation. It will have seen a change of leader in the USSR

and the Danes will have helped calm things down and avoid mistakes and they should be thanked for it.

(Applause).

Hammerich (CDI). — (DA) I wish to thank Mr Schlüter for his statement on the Summit Meeting. The positive aspect of the statement, is that it is on a modest level, and, in spite of all, that is more acceptable than those pompous assurances on European unity, grandeur and the glorious future which can be found in a union. That is nice to hear.

The Summit Meeting showed the lack of power of the EC-organization in dealing with problems that really worry people: unemployment, the breaking-up of the social security system and growing poverty — but that does not surprise anyone. The tendency is, such that the worse things get in the economic field, the more the EC tries to prove its *raison d'être* by getting involved in other aspects of society. In the last few years especially, labour market relations, foreign policy and security policy in particular, have suffered.

In these particular areas the EC's drive is in sharp contrast to the promises given to the Danish people in 1972 to the effect that the EC was just a convenient business-undertaking and that it would never interfere, for instance with labour market relations or foreign policy over the wishes of the people.

With regard to foreign policy we see a dangerous development in the fact that it is now openly admitted that there exists a cooperation between the EC and NATO. This is apparent from a correspondence which the Popular Movement has had with Foreign Minister Uffe Ellemann-Jensen and, at a later date Prime Minister Poul Schlüter who accepted this development. We asked Mr Ellemann-Jensen, if it really was true that a closer cooperation was planned between NATO and EC in the European Political Cooperation, EPC. Mr Ellemann-Jensen, in his answer denied that cooperation between NATO and EC exists in so far as he apparently prefers the word coordination.

He admits that he would like to see a 'more effective coordination between the political consultations within NATO and European Political Cooperation'. Not only does he accept this transgression of a very vital condition for Danish membership of the EC, he even finds the transgression inevitable, and wishes to lead the way. He claims that on the part of the Danes this was regarded as an essential task. He also claims one ought not to speak with forked tongues in the consultations of the European Political Cooperation and in NATO. But it is not in the least evident to the Danish people, who, time and again have been told by Danish EC-politicians that security and defense has nothing to do with the EC.

In 1972, before the referendum, it would have been regarded as pure science fiction that in 1982 we would

Hammerich

find ourselves with a Foreign Minister who boldly admits that he will lead the way in forming a cooperation between NATO and European Political Cooperation.

This ties up with the fact that the Danish EC-politicians constantly have concealed the real object of the EC and the EC's desire to become a political block of power. The most striking example of this concealment is that the then Danish Prime Minister said a short time before the referendum: 'If we tell the whole truth about the EC, then the vote will be a No'. If only he had spoken the whole truth then, so that the result would have been a No. We do not allege that the Danish Government has given a green light for an EC-defence union. Such an exaggeration is far removed from our line of thought. But a defence union is a logical idea for many people in this Chamber, including Mr Haagerup, and I quote from his report on security, as he calls it:

'If the EC has a future at all, it is inevitable that security and even defence become a part thereof. A really integrated European defence will be the final phase in the complete European integration process.'

Mr Haagerup does not think the time is ripe for an EC-defence policy. But small pragmatic steps can be taken, however. For instance at the start of the complex, EPC-NATO could attain a closer cooperation. This has now received a blessing from the highest authority of the EC, the Danish Presidents-in-Office, Mr Ellemann-Jensen and Mr Schlüter.

The other step on the long road to the defence union is, as suggested by Mr Haagerup and Mr Fergusson, common arms production as part of a common industrial policy. In this we can see a draft for an EC as a large military industrial complex, which will constitute a threat to the sovereignty of the single States, e.g. Ireland, which is not a member of NATO — but, like all military industrial complexes it will become increasingly difficult to steer in a peaceful direction. In other words, it will become a threat against both sovereignty and détente.

The experience of the EC for the majority of the Danish people has not been a good one. And this is a well-known fact. Consequently an opinion poll conducted by the firm Vilstrup in the month of March, shows that only one out of every four Danes wishes to remain in the EC, on condition that such economic agreements could be reached with the EC as now exist between the EC and Norway and Sweden. Only 13% of the Danes want what the EC now is trying to become — while the economic advantages are breaking apart — namely, a union with a common foreign policy.

These are the facts in Danmark, and the Danish Presidency ought to have paid heed to them. The new German Presidency should know that any extravagant

union plan will be received with great aversion in Denmark.

Mr Psemazoglou (NI). — (GR) Mr President, the statements by the Danish Prime Minister and the President of the Commission prove that the recent European Council reaffirmed the solidarity and sense of cohesion between Member States, and also that it showed great understanding of the problems of the European Community. These positive remarks of mine refer to the positive aspects of the Danish Presidency in the latter half of 1982. However, Mr President, it is impossible for me not to make the comment that these positive aspects are utterly incommensurate with the work and functioning of the European Community, and with its standing and initiatives in Europe, for our peoples and in the international development of events.

I want to say, Mr President, that this is not an untenable appraisal. On the contrary, the nature of the problems, the inexorable character of the economic crisis, as well as the need for firm initiatives on international developments for the protection of employment and world peace, all impose the need for vigorous action to reinforce the institutions of the European Community, for action much more drastic than that proposed by the Council.

Mr President, I want to make some brief observations on three issues. Virtually no mention is made of institutional issues, of the institutional reforms which are imperative, and this despite the fact that the European Parliament has begun a process of deciding on these reforms. It is also known that the Italian and German Governments have submitted similar proposals for reforms, as well as for the formulation of a single European policy stance with the aim of unifying foreign and defence policies in Europe. The lack of any favourable attitude on this issue, and the absence of precise proposals for action, are quite unacceptable.

Concerning economic matters, the understanding of which the Danish Prime Minister and Mr Thorn both spoke is of very great importance, and I do myself take note of the serious initiatives undertaken by the European Community in this sphere. However, I am obliged to point out that the Mediterranean policy, which directly affects one third of the people of the EEC and which could provide the fulcrum for galvanizing the whole European Community, is not accorded the importance it deserves.

On political cooperation, Mr President, I am obliged to say that lofty pronouncements and the taking of positions on world problems do not suffice. The people of Europe stand in need of a resolute commitment and this has not yet been forthcoming. Please allow me to remark also, Mr President, that at a time when a struggle is going on to draw attention to international violations the Community's credibility is put in ques-

Pesmazoglou

tion when it maintains a passive and tolerant stance over the gross violations which continue to be perpetrated through the protracted military occupation in Cyprus. As Greeks it is impossible for us not to take heed of this, and it is also impossible for it not to have grave international implications for the Community's credibility.

Mr Seeler (S). — *(DE)* Mr President, ladies and gentlemen, the President-in-Office of Council in his remarkable speech dwelt on a series of issues raised in the GATT conference. About a month ago Parliament held a debate on the GATT conference which was then just about to take place and in the meantime we know that a considerable effort was needed to avert failure. In the coming year Parliament will have to devote much of its attention to the problems and increasing difficulties of world trade if we are to succeed in combating unemployment in Europe. We cannot afford to let world trade collapse, for after all we in Europe do earn 25% of our gross national product from exports, which means that millions of people depend for their work on trade with other countries.

In this context, Mr President-in-Office of Council, I should like to make three points on the summit in Copenhagen. It is not sufficient to keep on repeating that we are in favour of free world trade and against protectionism. World trade is basically not as free, and never has been as free, as many people claim. Every customs duty, every quota, every self-limitation agreement, the multi-fibre agreement, the steel agreement with the USA, all these and much more represent restrictions on free trade. Even those who demand free trade accept this as perfectly normal. I believe we must find a new definition for present-day free trade and fix its necessary limits to guarantee the future welfare precisely of the citizens in our part of the world, and the European Council will have to devote its attention to that.

I doubt whether Japanese industrial and export policies really fully deserve the protection offered by free trade. All of a sudden there is mass production in a small industrial sector, the world market is swamped with these products, industries with well-developed and competitive structures are threatened and destroyed, and the research and development costs are of course borne by someone else. More urgently than ever before we must rethink the meaning and purpose of free trade.

In Geneva we only just managed to avoid an agricultural conflict with the United States again. I wish to appeal urgently to the Ministers responsible to use the coming talks with the United States to reach a sensible settlement in this area of trade which is important to both sides. I believe these talks should be held on the basis of equal partnership if lasting solutions are to be found, and that is also how I understood you. We Europeans are entitled to a reasonable share of the

world market for agricultural products, but if we, as we did for example in 1980, insist on having 61% of the butter trade or 60% of the dried milk trade, then I fear we are asking more than our partners can agree to.

I appreciate that Denmark is also a country which benefits from the Common Agricultural Policy, and that is only right as Denmark is an agricultural land. But we cannot persist in swamping the world market with our surpluses, no matter what price we have to pay for that. Production and demand must be coordinated again and we have an opportunity to explore new ground in making the necessary arrangements to incorporate Mediterranean products into the market regulations.

My impression is that the Council gave the Commission representatives in Geneva too little margin for negotiation. That has put the European Community in a tricky spot. It became the scapegoat when any problem arose. This meant that the Japanese could remain quietly in the background so that no one really noticed who had really been playing havoc with the rules of world trade.

Undoubtedly it was really rather silly to bring together 88 ministers and expect them to solve all the problems of world trade in three days. Such gigantic conferences make little sense and the relevant ministers in the Council and the European Council should bear that in mind when preparing the European position for the coming discussions.

The Committee on External Economic Relations will next year submit a report on the further development of GATT to Parliament and also the Council and Commission. I hope it will provide an opportunity to deal with the vital issues of world trade with due care and the commitment which I believe is indispensable here.

Mr Brok (PPE). — *(DE)* Mr President, ladies and gentlemen, I should like to express my gratitude to the Danish Prime Minister that despite a bad start and despite all the difficulties the presidency proved in a short time to be a greater success than we could originally expect in July. That did not surprise me as I already knew your pro-European work from the old days. After Mrs Hammerich's statement we now know clearly where the truly progressive forces in Denmark stand, those which want to break down frontiers and hence end the causes of war and disputes in Europe, and I think we also owe our thanks to you for that.

This European Council has shown that even with four new Heads of Government — including Federal Chancellor Kohl with his good work — a new lead has been given. Unfortunately, however, it has just remained an indication, or to use the President of the Commission Mr Thorn's football image, the ball has

Brok

only been kicked off. Here we have seen clearly once more that many individual issues have been analysed correctly and sensible targets agreed on but seldom is action decided on, and that is what we criticize.

We are constantly talking about unemployment. It is quite rightly called a significant problem. The European Community must take its contribution, as has been said. But at the same time the European Community is being deprived of its means to combat unemployment. At the same time one country for example is systematically destroying the internal market of the European Community, to wit the policy of the French Government. We must finally coordinate our targets and our means.

Let us look at four areas where a decision was taken. Proposals to strengthen the internal market — what happened? A decision to wait for the Commission until March. Reinforcing the new Community instrument — wait for the Council until March. New measures in professional training, youth unemployment and shortening working time — wait until March. Proposals in research, innovation, energy — wait until March. In all these cases targets which were agreed on as being the right ones were postponed until some later date, and I am sure that when March comes the dossiers will yet once more be remitted to some group or other.

We must get away from this new 'dynamic' formula of waiting and simply say, 'Why not take a decision?' or 'How about the Heads of Government giving their ministers in the Ministerial Council clear-cut instructions for decisions?' It would be so good to be able to persuade the national governments that the days of the 'Europe of Ministerial Councils' which hold up decisions of the Ministers or Heads of Government by their constant, alleged or real, material constraints, are over. And here the Heads of Government and the Ministers must give a political lead. They must not let their own national bureaucracies interfere with work on the right targets for European integration and action on unemployment.

Mr Prime Minister, I thank you for your statement on foreign policy. You said that we should follow a policy of firmness and at the same time dialogue with Eastern Europe. Referring to the Conference on Security and Cooperation in Europe you mentioned holding a conference on disarmaments and implementing human rights. This dialogue, however, must not result in our finding ourselves in a crisis in our own banking system due to the tremendous debts owed to Western Europe by the Eastern block. We are facing a very serious development which is of great importance to the economic future of the European Community.

Mr De Goede (NI). — (NL) Mr President-in-office of the European Council, every presidency has a rough ride. The Danish one, over which you have just

presided, just as surely as the coming German one. Any criticism of events during these six-monthly Council presidencies must therefore be seen to reflect, not upon the outgoing Council president, but rather upon all of us, Council, Commission and the democratically-elected representatives of the Community's citizens. Of course we may reflect upon an external climate fraught with difficulties. But we would do well to continuously ask ourselves to what extent we, as a Community, have not been at fault in failing to measure up to our potential, and indeed such is regrettably all too often the case.

A few examples of our shortcomings can be mentioned here; the meagre results of the most recent Jumbo Council meeting during which the ministers once again failed to offer a glimmer of hope to the Community's millions of unemployed citizens, particularly the young; the multitude of utterances at that Jumbo Council which can be boiled down to commitments to refrain from too many inter-Community protectionist measures in that ever-spreading wave, the failure of the Geneva GATT talks at which the Community was incapable of making an effective contribution to a lasting solution of world trade problems. Certainly the consolidation of the Community's achievements over the past 30 years is important and the alternative of a disintegration so incalculably disastrous that we really ought to be thankful, in some ways, that things are not much worse than they are. But such complacency will not suffice. And while the Commission's well-intentioned proposals with regard to Japan on the matter of Community innovation can be of some temporary solace, it offers no solution to the structural problems of Community industries. A noticeable feature of the recent GATT negotiations in Geneva was that the real protagonists were the Community and the United States, and the real losers, the developing countries. Even more remarkable was the fact that Japan came away unscathed. One might say that the Conference achieved a cease-fire.

Mr President, in the Community's ever-faltering economic life a theme of special significance gradually beginning to be worthy of attention is the existence of a creeping sickness which is increasingly undermining our society. I refer to the 'black (tax evasion) money' circuit which is on the increase year after year.

The discussion on this phenomenon has already broken out in all its intensity, in my country, the Netherlands. The difference between the upright tax payers and those who resort to fraud on a large scale is threatening to become so great, and the 'black money' circuit so pervasive that something will have to be done about it. Only a Community approach will be successful in preventing massive flights of capital. In a period of austerity across the board in which the average Community citizen has seen his purchasing power sharply curtailed the Community cannot evade its obligation to take measures to deal with this enormous 'black money' circuit, which I would estimate to be in

De Goede

the region on 100-200 thousand million ECU. Equity demands solidarity with the weak.

I would therefore ask the Council to hold a special Financial Council to treat this phenomenon, some time over the coming six months. The Commission should present proposals designed to achieve a greater inter-Community exchange of fiscal information, for example ownership of property in a Member State other than that in which one habitually resides. Secondly, such proposals should indicate ways of accelerating the harmonization of tax rates within the Community; thirdly, a tighter control of dubious capital transactions with non-Community States, fourthly, the closing of loopholes, the existence of which facilitates tax evasion on a massive scale, and fifthly an examination of the extent to which bank secrecy must be breached in cases of justifiable tax impositions. I shall leave the matter at this stage but I intend to return to it at a later date.

Allow me to turn my attention to the political situation in a number of 'Lomé countries', which I am beginning to find appalling. Several dozen prominent personalities have now been killed in cold blood by a military dictatorship in Suriname. Suspension of cooperation with such a country is now called for. I trust that Council and Commission will not content themselves with declarations of outrage but that they will proceed to positive action.

Mr Dido (S). — (IT) Mr President, different opinions have been expressed about the Copenhagen Summit. I am personally of the opinion that the results of that meeting are not entirely negative — even though I am very broadly in agreement, for example, with what Mr Fanti said — perhaps because I hope that, faced with the dramatic prospects which the crisis holds, something may finally change in the attitude of our governments.

There are two aspects of that summit that strike me as being of interest. First, the convergence of opinion on the seriousness of the economic crisis and the unemployment that have hit all Member countries, and the re-affirmation of the need for action to strengthen the cohesion of the Community. Admittedly, these are just words, but the economic situation is expected to deteriorate so much in 1983 that we must now finally hope for a change of course. At Copenhagen we again saw the unity shown by the Ten in recent months in the confrontation with the United States over economic and trade relations, and over the pipeline, steel, and the GATT negotiations. Secondly, a degree of willingness was apparent in regard to certain concrete steps — though these, it is true, have still to be translated into fact. I am referring, in the first place, to the undertaking given to the Council of Ministers, that concrete measures would be drawn up by the end of March to strengthen the internal market, blocking the dangerous trend towards protectionism; and in the

second place, to increase the funds available to the NCI to 5 000 m ECU.

Now, if these measures are in fact going to be implemented — and I am by no means optimistic in the matter — then, for them to make any sense at all they must be related to a coherent Community framework within which policies for industry, research, innovation and energy are all properly coordinated. This is in fact the only way that the commitment to tackle unemployment — especially youth unemployment — by creating new, stable jobs can be given credibility as a counterpart to those special programmes of vocational training that are envisaged in the reform of the European Social Fund and the reorganization of working time, as mentioned explicitly in the final communiqué of the European Council.

Another point to be borne in mind is the obligation that was placed on the Ministers of Agriculture to revise the Community's policy regarding Mediterranean produce before March 1983, not only so as to achieve a better balance in agricultural policy, but also to enable negotiations to be speeded up for Spain and Portugal to join the Community.

On these points, it is now up to the Commission and the Council of Ministers to give concrete answers. For its part, our Parliament has already expressed its views on all these points, and put forward proposals. If these are taken account of, some progress can then, perhaps, be made.

One final point, Mr President regarding foreign policy; I am in agreement with the European Council's expressed hope for an improvement in East-West relations.

It will not have escaped notice that there seems to be a move in this direction in Poland, though firm evidence is still awaited. I should however like to emphasize that the facts that are coming to light in Italy, regarding the criminal attempt on the Pope's life and the international ramifications involved, are very worrying. There can be no doubt that, if these facts are confirmed, our Community will also have to take certain decisions as a result. This is a matter that we shall discuss more fully at a later date.

Mr Gontikas (PPE). — (GR) Mr President, with regard to the subjects he touched upon the President-in-Office undoubtedly made a full statement, and on this I congratulate him. The President-in-Office drew attention to the intensifying arms race and underlined the dangers attaching to the Soviet Union's initiatives in this field. But whereas the Council knows full well just what the policy of violating human rights can lead to in the so-called socialist countries and in other countries of the world, the President-in-Office said very little on this subject. On the other hand he said nothing at all to us about the Community's vital

Gontikas

interest in the matter of relations between Europe and the United States. I wonder if he would have been so reticent on this vital subject if it had not been for Mrs Macciocchi's question. This question, which I note down as indicating an indisputable shift in the position of the Socialists in this Chamber, poses a pointed query to which the Council did not reply. Just what are the purposes of cooperation between Europe and the United States? The Member States of the Community have a number of interests in common, prime among which is an interest in security even though the Community has no military dimension. For the ideal of European peace and security to have meaning and substance this common interest in security must of necessity be based on two factors: on the total cohesiveness of the Atlantic Alliance, and on unwavering and continuing cooperation with the USA and Canada. As a consequence any upheaval in relations between Europe and the USA or any change in the Atlantic Alliance must have a grave impact on European security and harmful consequences for the development of other vital Community interests.

Europe should not forget, Mr President, and Greece in particular does remember, that it owes its survival after the Second World War to the United States. It is a fact that our differences with the USA do mainly revolve around crucially important economic issues. However, if the conditions necessary for the achievement of prosperity in Europe are not to be put in jeopardy, it is essential that these differences are resolved in ways which do not alter the common perception of the need to maintain a military balance and which do not impair the trust of the European people in American support.

Mr President, the European Community is at the stage of trying to cope with the problems of our times as a unified whole. The day when Europe will be a single totally emancipated entity is not yet near. Of the States in the Community today none, I hope, is contemplating loosening its links with the USA and the Atlantic Alliance, even though each of them has passed through different forms of crisis in these relations and while many of them, such as my own country, have reason to disagree with the foreign policy of the USA. Despite all this the need to protect vital common interests is of such importance to our Community countries as to make consorting with the United States unavoidable.

I personally would be happy, Mr President, if next time the Council could give a complete review of the common objectives of cooperation between Europe and America.

Mr Chanteric (PPE). — (NL) Mr President, I would like to concentrate primarily on the conclusions reached by the Council meeting in Copenhagen with respect to economic and social aspects of Community policy. To begin with I notice that the European

Council has voiced its support for a general strategy aimed at considerably improving the employment situation in the Community through the creation of durable employment opportunities. Such a strategy presupposes a vast array of interdependent economic and social policy measures, both at Community and national level. With this end in mind, the European Council elaborated a total of seven priority objectives together with a time schedule for the accomplishment of specific parts of that policy at Community level in addition to the efforts to which the individual Member States had consented at national level.

As far as this goes, one could give the Copenhagen meeting a positive vetting. I have, however, Mr President-in-office of the European Council, a number of reservations to make. Firstly, the Copenhagen decision is, for the most part, no more than a repetition of the statements made at the end of the preceding European Council meetings. An examination of the declarations made at the end of the three European Councils of 1982 will corroborate my statement. In other words, there is little or no noticeable progress in the decision-making procedure and, consequently a standstill in policy-making.

Secondly, the President-in-office of the European Council spoke of the gradual appearance in the constructive broad outlines, of a Community consciousness and a Community position in the light of the intolerable economic and social problems with which the Community is beset. I would dearly like to be able to applaud all of this but, conscious of the dire socio-economic straits in which the Community has found itself for quite a good number of years now, without any apparent end in sight, I am somewhat amazed. The message you bring to the 12 million unemployed of the Community is scant comfort. One cannot avoid concluding that the European Council has heretofore failed in the elaboration and financing of the type of emergency employment plan capable of responding to the abject state in which the Community finds itself. One figure alone will suffice to bring that message home. In order to maintain the present employment rate in the Community, one million new jobs would have to be created annually. This is, I repeat, to maintain the status quo! On the other hand it is worth noting that the absence of a Community policy in the field of telematics has meant that we have missed the opportunity of creating one million new jobs. As long as the Community fails to take the measures capable of responding to these challenges the European Council will fail to live up to expectations.

My third and final comment is as follows: the European Council of end March 1982 had decided that over the following 5 years all young Community citizens who had successfully finished their studies would be guaranteed either a first employment or vocational training courses. The European Council in Copenhagen was to report on the decisions and measures which had been taken in this area both at national and

Chanteric

Community level. That Council meeting of March 1982 aroused a degree of hope among the Community's 4 million unemployed youth and we in the Committee on Social Affairs devoted a special hearing to their problem, at which some 100 youth representatives were present. And yet I have to report that notwithstanding the work of our Committee the deadline was not respected and concrete measures have once again been deferred to the following Council meeting. A postponement of several months is not so serious in itself but it becomes a critical state of affairs when it is found that the Council-approved appropriations to the Community Social Fund, as implementing instrument are totally insufficient...

In the light of the foregoing it must indeed be feared that a whole generation of the Community's young citizens are to be needlessly excluded from participating in its economic revival, and as such, I find this unacceptable.

I shall close by quoting Chancellor Kohl of the Federal Republic of Germany, who, at the end of the Council's Copenhagen meeting declared: 'the Community's reputation among the public at large, and youth in particular, will be determined by its capacity to contribute to a solution of the unemployment problem'. I sincerely hope that the forthcoming German Presidency of the Council will let its actions speak louder than its words.

President. — The debate is closed.

During the debate a lot of praise has been given to the Danish Presidency, though perhaps, as someone has indicated, there were some doubts in the beginning. I do not know whether it was due to the change in government, but it has worked. That is, after all, one of the important things in the relationship between Parliament and the Council, namely, that the relationship functions. Of course, the Foreign Minister of Denmark has had the biggest role to play, but I think also, Mr Schlüter, that the way you presented the report on the European Council this morning has been a very good experience. I thank you very, very much for having been here.

(The sitting was suspended at 1.30 p.m. and resumed at 3.15 p.m.)

IN THE CHAIR: MRS DE MARCH

Vice-President

3. Topical and urgent debate (objections)

President. — Pursuant to Rule 48(2), second subparagraph, I have received the following objections, justified and tabled in writing, to the list of subjects for the topical and urgent debate to be held tomorrow afternoon.

(The President read out the objections)¹

I would remind the House that the vote on these objections will be taken without debate.

After the rejection of the objection relating to the Lebanon

Mr Van Minnen (S). — (NL) Madam President, precisely four minutes elapsed between the opening of this vote and the time it was closed. This is much too long. It is also in conflict with our Rules of Procedure and could give rise to abuses.

President. — I shall take note of your remarks, Mr Van Minnen.

(Parliament rejected Mr Kirk's objection)

4. Council statements (Danish Presidency and political cooperation) (continuation)

President. — The next item is the continuation of the joint debate on the Danish Presidency and political cooperation.

Mrs Ewing (DEP). — Whoever is the President-in-Office of the Council of Ministers deserves all our sympathy because whatever we think of the six months of duties the responsibility must be unbearably heavy. I am not going to indulge in any further flowery throwing of bouquets, but I do appreciate the enormity of the scale of the duties you carry.

The first thing I would like to say is with regard to steel. There is no doubt that a good bargain was made with the United States considering the way the United States started off. On the other hand, look at the sacrifice that was made voluntarily by Germany. It is fair to say that an enormous sacrifice had to be made by the steel industry in the UK and in particular in the Scottish sector where 30 000-40 000 jobs are presently at risk and despite an enormous capital investment of about 100 million in one steel mill and about the same in another these have to be axed, while Italy increased its capacity. I ask the President-in-Office of the Coun-

¹ See Minutes.

Ewing

cil: is it fair that, when heavy burdens fall on two Member States, one is allowed to increase its capacity?

The second point is transport. The Legal Affairs Committee, of which I am a member, voted recently to sue the Council for its failure to implement the transport policy. It does seem terrible that we, as institutions, have had to sue the Council for failures on its part and it really is not good enough. For instance, road equivalent tariff was approved by this Parliament repeatedly but was not introduced.

On enlargement, my group of course welcomes this; it will increase the regional element — and I think that must be good for us all — and will help us politically. But there is an element of the ostrich about the Council and the Commission with regard to the enormous fishing fleet of Spain, about which no one will make any remark. In which waters is this fleet to go? There are not any waters available because there are not enough as it is.

Lastly, I turn to fishing: the United Kingdom has two-thirds of the fish and Scotland has two-thirds of the UK's fish. Our waters were given away by British politicians — Mr Heath with the Liberals' help — and Mr Wilson did not think fishing was important enough when the so-called re-negotiation took place. It has been a disaster in human terms because we represent areas where there is nothing else but fishing. Islands and towns are dependent on silly industries with nothing else. No hinterland of rich agricultural land such as is the case in the Shetlands. It is under the Danish Presidency that a settlement on fisheries has been blocked and although we are having an urgency debate tomorrow I must say that while I have sympathy for these fishermen, because of the social element and the dependency of their villages, they concentrated on fish for industrial consumption to too great an extent. They have allowed their capacity and their fleet to increase when all the other countries' fleets were being reduced.

Mr J. Moreau (S). — (FR) Madam President, Honourable Members, there are three subjects of concern to the people of Europe. They have been the centre of the activity of the Danish President and they were at the heart of the discussions of the European Council in Copenhagen. They are the economic situation, the internal market and the future of the European Monetary System.

One thing, I think, is clear and that it is impossible to let the situation get any worse. Whatever the criteria, the immediate future of the European Community is cause for concern. The decisions of the various Councils of Ministers — Ecofin, Jumbo and European — were not precise enough to quiet the legitimate apprehension of the people of Europe. Although, as we have seen, there were some proposals on various points, they are not, I think, good enough for the present difficulties and what is currently at stake.

A timetable, to my way of thinking, cannot replace a policy. We all know what our positions are and everyone is tempted to think just about himself rather than make the effort to join together to seek common solutions. Asserting the need for a global strategy to bring about a substantial improvement in employment is one thing. Agreeing on the actions and policies that will actually achieve this result is quite another.

We feel the Council is displaying timidity and hesitation in defining the measures. Certainly, as I said earlier, we now have a timetable. But what will the Council's opinion really be when it will have to decide on the different problems? I think, in particular, that the decisions in the investment expansion sector will have to be taken fast. Referring to NCI III, that we mentioned just now, does not, as we know, mean that the Council is ready to speed up its decision-making as Parliament would like. We think that further progress should be made along these lines and that a significant effort should be made without delay to ensure that the headings given at the Council in Copenhagen are over proper content.

Second, I should like to discuss the matter of the internal market. I am pleased to see this question being taken seriously and to note that the Council of Ministers has finally decided to look at the dossier. The establishment of an authentic, unified internal market is an imperative for the European Community. It is the vital condition for the development of industry and services — which in turn is vital for the future of the region called Europe.

The time has come to look at all the discriminatory practices, the barriers and the reasons that engender constant compartmentalization of our market. There can be no European industry and no European undertakings without this genuine, definitive unification of the market. I know the task is a hard one, but we shall judge the Council in the first quarter of 1983 by its determination to adopt the outstanding directives and by its ability to stimulate the work of the Commission.

Parliament, via the work of the Committee on Economic and Monetary Affairs, is ready, I think, to provide the necessary collaboration.

I hope that our scepticism about the constitution of a high-level group on this aspect of things will give way to more positive developments in the work undertaken. Investments and the internal market are realities to which we shall be returning in the coming months.

But we shall also be discussing the European Monetary System, as we are all aware. We have always supported the Commission in its attempts at strengthening the European Monetary System. We have deplored the attitude of the Council of Ministers over the past year for failing to take account of the latest proposals of the Commission. But international disorder is such that we have to act fast and go further than the Com-

Moreau

mission wishes. Any strengthening of the European Monetary System should do more than provide stability in Europe. It should enable the Community to have more coherent discussions with the USA.

That, Madam President, is what I wanted to say about the Danish President's management and the results of the Copenhagen Council. I, for one, think that these last few months have seen a certain awakening as to the extreme seriousness of the situation in which we now are. The beginnings of a solution are there. I think that the next presidency should be the occasion to put into practice what is so far only a series of intentions.

Mr Penders (PPE). — (NL) Madam President, I intend to speak exclusively on Mrs Macciocchi's oral question to the President of the Council, or more specifically, on the part devoted to French-German cooperation in security matters. And at the outset I should like to heartily congratulate her and the Socialist Group on their desire to raise such a theme in this House. It represents something of a breakthrough, by attempting to overcome the taboo that the European Parliament had no right to meddle in security matters.

Madam President, what a far cry all this is removed — and well and good removed — from the days when heated arguments would ensue purely and simply on the question as to whether Mr Klepsch could elaborate a report on industrial cooperation in the defence area, or as to whether Mr d'Ormesson and Mr Diligent could draw up a report on the protection of sea routes or, for that matter, as to whether Mr Haagerup could report on European security. That such issues no longer raise eyebrows, with the exception of a few inveterate anti-Community circles is thanks largely to the decision of the European Council held in London during November 1981 authorizing the Community Ministers of Foreign Affairs to deliberate henceforth on security aspects. As such it conforms fully to the Genscher-Colombo Draft European Act.

Mrs Macciocchi's question was a revelation to me — and I hasten to add, a positive revelation. One might have expected her to opt for a mistrustful overtone and a generally sceptical attitude. However, nothing could be further from the truth. Indeed on behalf of the Socialist Group, Mrs Macciocchi even puts forward the idea of sponsoring a Community column on a multilateral basis with a view to precluding the treatment of security aspects on a bilateral basis. The mind boggles! The Socialist Group as the Lazarus of a European Defence Community.

What are we to make of French-German cooperation on security aspects? I shall preface my remarks by saying that, in the aftermath of the fanfares and of the French-German summits there was precious little else to be heard. One asks oneself whether this is favourable or dubious. Ought we really to avoid disturbing

this brooding hen or is there alternatively grounds for concern?

Secondly, I would point out that the French-German relationship would appear to stand on its merits, irrespective of the political ideologies of the respective governments, which is in itself a welcome phenomenon. The diagnosis of the Community's security problems appears to withstand governmental changes in both countries. The essentials are well embedded and I find this heartening.

Thirdly French-German cooperation has always been the focal point of European integration, which is yet another reason for welcoming their joint approach to security aspects. My remarks are, however, subject to the condition that the French-German cooperation on security aspects should not remain an exclusively bilateral affair but that it should pave the way for wider Community cooperation in this area. My group considers that such a Community approach to security aspects can only be fruitful when it adheres strictly to the NATO doctrine.

A prerequisite is therefore that the Bonn-Paris axe must be a Community one. On several occasions in the recent past I have taken the liberty of denouncing what I might refer to as 'Guadeloupe-type' deliberation and 'board of director'-type formulations. Secret bilateral decision-making must be avoided but overtures to the other Member States will be appreciated, which implies a commitment from them too. One side of the coin is 'no Guadeloupes' but this implies that the other side must read 'willingness for a Community approach'. In saying this I am also referring to my fellow countrymen who are currently making heavy weather of defence matters. Rights imply, in the final analysis, duties.

Mr Moorhouse (ED). — Madam President, as a British Member whose birthplace was Copenhagen it gives me particular pleasure to have the opportunity to add my own tribute to what I believe has been the outstanding work of the Danish Presidency over the past six months. It has been all the more outstanding because of the short time the present government had to prepare for the task. I also believe that the success of the Summit meeting in Copenhagen owed much to the skill and *sang-froid* of the Danish Prime Minister.

Now, Madam President, there is a good deal to welcome in the statements we heard this morning even though inevitably there are also profound problems continuing to face us all. One of the more promising developments under the Danish Presidency is the fresh effort to establish a common energy policy, notably on coal; and we look forward to agreement being reached at the informal meeting of the Energy Ministers tomorrow in Copenhagen on the guidelines for the Community's coal policy. That would indeed be a considerable step forward.

Moorhouse

But it is not only coal that requires a common energy policy. There are several other sources of energy, not least natural gas, which in the light of recent developments surrounding the Soviet natural gas pipeline controversy call for fresh appraisal in a European context. I believe I am not alone in expressing concern about the extent to which some Member States will become dependent in the 1990s on natural gas from the Soviet Union.

Now it is a commonplace to say the Community will only depend on the Soviet Union to the tune of some 4% of total energy demand. We need to look behind these figures. Behind these figures we find that certain Member States, notably West Germany and France and maybe Italy and Belgium, will depend to the tune of 30% and even 40% on natural gas imported from the Soviet Union — I am speaking of 1990 and onwards — and that I question: I do not think it a healthy situation that this should be so, or turn out to be so. And therefore, Madam President, I am convinced we must make a strenuous effort to develop a wider common energy policy. It was good to hear from, for instance, Norwegian parliamentarians when they were here last month, as you will recall, that the parliamentarians would be willing to persuade their own government that Norway should play a part also in developing a wider European common energy policy, though they did set this in the context of looking for a common industrial policy as well.

These, I think, are thoughts which are moving in the right direction and, as far as Norway is concerned, it indicates that they put a high premium, as we know, on European political cooperation and are prepared to build on that.

Having spoken about the common energy policy, I must say with some regret, as spokesman on transport for my group, that there is no mention of common transport policy and I trust, particularly in the light of the legal action which this Parliament is likely to take, that the Council will take to heart the wish of this Parliament that we should pursue a common transport policy much more vigorously. A token of Council intent will, I hope, be obtained tomorrow when the Council of Transport Ministers meet. They have, it must be said, a very full agenda. We must hope that they will agree certain measures such as the draft regulation on inter-regional air services on which many of us have set our hearts — a measure which would open up air services between the regions of the different Member States and, I think, be good for regional development and for development generally.

In the closing minute I would like to turn to the sombre situation in Poland. None of us can feel at all happy about the situation there. It may to a slight extent have altered outwardly but I doubt very much whether in fact the situation is any different from what it has been over the past year. Certainly there are many prisoners of conscience in Poland still today.

The London Times of yesterday highlights one such: Anna Valentinovich. She is the subject of a motion for a resolution which has been tabled in this House and we hope that it will receive the support of a very large section of the House.

Boserup (COM). — (DA) Honourable Madam President, Minister, and distinguished colleagues, I have been sitting here the entire morning — out of interest for the subject, naturally — but also to make sure that the few words I have to say would not become the fifth or sixth repetition of what has already been said, as we have had sufficient of that. Therefore there will not be any praise for the minister either, and because of that there will not be any renunciation of the previous minister either. I so think, however, that Mr Klepsch and Mr Fergusson were very close — in a guarded manner, admittedly — in declaring which sort of minister this Chamber would prefer. I must draw these gentlemen's attention to the fact that Danish ministers are accountable to the Danish electorate and not to individuals here in this Chamber. Neither can I imagine that Mr Klepsch or Mr Fergusson would wish the situation to be otherwise in their own countries.

I shall turn then to the EPC — European Political Cooperation, as it is called. My party has said, and we support it, that we have nothing against ministers meeting and talking together. We prefer debating to snarling. But we do have something against being so petty that one calls it European, and then closes the door on fine European countries, like for instance, the Nordic or other interested countries. It should not be such, that one is only European if one can put up with living under the yoke of the Treaty of Rome. That is changing geography, and, one has not, after all, the power to do that. I propose that other countries are invited to join us. If we should lack space in the Chamber, one could suitably send the Commission outside. I still have not got an answer to what the Commission — the guardian of the Treaties — has to do with negotiations of which not even one word is mentioned in the Treaties. I am willing to be taught, but no one has tried to do so yet.

Then furthermore one is obliged to read some fine remarks by the EPC to the effect that we condemn apartheid, which we certainly do. Then it progresses with the point that we continue a critical dialogue with South Africa. I must say that critical or not critical — any discussion with the fascist and oppressive regime in South Africa stigmatizes our countries and is an insult to the African Lomé-countries, which we pretend to help and give a preferential position. It might well be that the Commission had a finger in this pie, this Commission which, *mirabile dictu*, is having trade negotiations with South Africa. Is it not about time we decided which side of the fence we are on? That we place the freedom of people above that of trade, regardless of how profitable the latter might otherwise be?

Boserup

Now I have a few remarks to make about Mr Genscher's and Mr Colombo's incumbent thoughts which one indeed will go one tampering with. In the Danish Parliament Minister Ellemann-Jensen has spoken very clearly with regard to remarks uttered by Mr Colombo in this Chamber a couple of months ago, where Mr Colombo was of the impression that there was a consensus of opinion between the countries on a communal Council of Ministers for the EC and the EPC. I urgently request the minister to repeat his very clear words in this Chamber.

And then there is Mr Bangemann, who in his usual elegant style, places his heavy boots in the face of the Danes. If Mr Bangemann wants to get rid of the 15 Danes, all he has to do is try and force through a majority vote on the fisheries issue. The effects would be dramatic, and it might produce some fresh air. At any rate it seems as if minister Ellemann-Jensen has chosen the wrong approach. He started by giving away 5 000 t of Greenland cod in the hope that this would improve the working climate in the negotiations. He is still giving away Greenland cod, and it has not helped an iota. And do you know why? Because Denmark is a small country whose face shall be wiped in the mud. And we are well aware of this. We need only to compare our situation with another: Once, when Mrs Thatcher was in this Chamber, we were falling over each other to find a seat; all the rows were densely packed. And what happened today? Well, we can easily see what happened and we know very well why.

Mr Paisley (NI). — Madam President, I wish to raise once again the urgent question of extradition between the Member States of the Community. Last week I stood in the middle of the carnage made by Irish Republican terrorism in Ballykelly in Northern Ireland. Eleven members of the army and five civilians were massacred without warning or mercy and many more maimed for life; others may yet die. The security forces know that the perpetrators of this diabolical deed of blood crossed the border from the Irish Republic and then retraced their steps.

The seriousness of this matter, Madam President, is highlighted by the fact that some hours after that massacre a town commissioner from the Republic of Ireland, an elected representative, came to the city of Londonderry and promised us more such Ballykelly killings. The RUC at the present time wish to question hundreds of men and women who are now in sanctuary in the Irish Republic.

In view of the action of this Parliament in approving the resolution on the Convention on the Suppression of Terrorism and the promises made from time to time by various spokesmen of the Council I would call upon the President-in-Office to make this a top priority. Surely they should be encouraged to do this in view of a recent court case in Dublin when a judge of

the Supreme Court there ordered that a well-known terrorist by the name of MacGlinchey should be extradited. Unfortunately the police in the Irish Republic have not been able to arrest this man in order to hand him over. That court decision, however, is a pointer in the right direction. As this is a matter of life or death for the people that I represent in this House I would urge it passionately upon the President-in-Office.

Mr Ryan (PPE). — On a point of order, Madam President, I submit that it is out of order for a Member of this House to abuse the right to speak for the purpose of making unfounded, slanderous allegations against a Member State, and I respectfully suggest, Madam President, that when such conduct is engaged in, the speaker be asked to desist.

Mr J. D. Taylor (ED). — Madam President, is it in order for a Member of this House to abuse the Rules by claiming to make a point of order when in reality he says something which is a matter of non-fact?

President. — I shall take note of these remarks.

Mr Antoniazzi (PBE). — *(IT)* Mr President, I should like first of all to thank the President of the European Council for being here today in his present capacity as President of the European Council. This at least means that one of the resolutions approved by the Political Committee — the committee, in fact, whose rapporteur I was — concerning relations between the European Parliament and the European Council has been translated into fact. Since we are very sensitive to any attention shown to inter-institutional relations and to our institution in particular, we duly acknowledge the positive response — on this point, at least — to our expectations.

As far as the European Council meeting at Copenhagen is concerned, the discussions as a whole reflect the entire picture and realities of the situation as presented by the President of the Council of Ministers this morning, in his statement on political cooperation and the Danish Presidency.

The courtesy that is always due to a minister finishing his term of office must not prevent us from saying very clearly what we think, though with the utmost respect for those with whom we are in discussion. From the personal standpoint, therefore, we should like to thank you; from the political point of view, we have many reservations.

I was greatly disappointed, Minister, by at least part of your statement. I appreciate the effort devoted to the problems concerned, the solution of which was certainly not dependent on your will. We acknowledge the Minister's personal willingness to help. This, how-

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ever, is not sufficient. His was the umpteenth speech by a President-in-Office, and a speech which — compared with the opening speech at the beginning of the six-monthly period, even though that speech was delivered by someone else — undoubtedly gives much ground for thought and grave concern for the future of our Community.

His speech falls into two parts. The first refers mainly to factors within the Community; the second, to external factors. Well — and this is strange, and contradicts the Council's own function — the verdict on the part that refers to internal problems, the solution of which depends for the most part on all of us here, and especially the Council, is largely unfavourable. As to the external part, in which we certainly do have a part to play, though not an exclusive, decisive one, it can be said that something is moving: yes, undoubtedly, and to some extent as a result of the prodding and prompting of the European Parliament.

For the first time we find the Council saying nothing about future institutional development and implementation of the treaties — matters on which the preparations are at an advanced stage, or were already completed some time ago. Even the Genscher-Colombo proposal for a European Act has made no substantial progress. As regards the first part, it is disappointing in relation to everything concerning monetary policy, the economy, investment and the EMS. The economy shows no signs of concrete action, and investment in a number of significant sectors such as research and technology, energy and unemployment, is of no more than a token nature — as Mrs Cassanmagnago reminded us this morning.

We repeat that, if the problem of the budget and the VAT 'ceiling' is not tackled — a subject, this, that is connected with institutional development — we shall only go on listening to fanciful declarations without concrete influence on the management of our future. The same is true of the long-windedness regarding the enlargement of the Community to include Spain and Portugal.

With regard to the second part, we do acknowledge a greater degree of involvement and a livelier approach, which have enabled European diplomacy and the governments of the Ten to be more involved internationally, so that Europe's function and importance as a stabilizing force and mediating power is standing out more clearly, and the prospects are brighter for progress, and for peace in security. All of this has been successfully achieved by the Ten, despite the serious situations that have arisen in the world in East-West relations, the North-South dialogue, international trade, the problem of hunger throughout the world, relations with the United States that need to be made clearer, the situation 'after Helsinki' and disarmament.

It would also have been useful to have given further consideration to the active external operations of the

Bulgarian Secret Service, a subject that not only concerns Italy but is of international importance, because of the serious implication of the Secret Services of Eastern Europe in a whole series of destabilizing operations that need to be watched carefully and resisted firmly, including the arms traffic and other criminal activities directed, in this particular case, against the person of Pope John Paul II, who is in the thoughts of this Assembly, and to whom we send greetings and a grateful word of thanks for the important part he is playing as the bearer of peace and brotherly love in so many parts of the world.

These, Mr President, are my thoughts on what you have said. Thank you for your personal efforts which, however, have not removed my impression that the Ten, over this period, have improved collaboration in matters of a mainly external nature — which are still important and indeed essential — whereas little has been done in those fields that directly concern the institutional, economic and social advancement of the Community. What is even worse is that the present picture presents little hope for the future.

I hope that the Parliament will be more active and insistent in stimulating the Council of Ministers, which must finally follow our lead a little more assiduously, in the interest of those citizens of Europe who have given us all an important political mandate.

Mr Kyrkos (COM). — (GR) Mr President, I want to say clearly that the picture drawn for us this morning by the President of the European Council was — and of course Denmark is not to blame for this — disappointing to the utmost degree. No new initiatives for dealing with major Community and international issues were announced, and the worst thing of all is that during this last six months the gap between the Community's ruling circles and the millions of workers, farmers of southern Europe, small businessmen and others who work for a living has widened even more. Right now in Greece an explosive agricultural movement is developing over prices, the protection of marketing arrangements for agricultural produce and the need for modernization of economic structures. What reply do you expect us to give to Greek farmers who typically express the problems of Mediterranean agriculture? At the same time our society is threatened by galloping unemployment, and even if this is not solely a Greek phenomenon I still put to you the question: what have you done about the Greek Government's memorandum which, of course, also raised the more general problem of relations between north and south in the Community?

The European Council has been unable to provide the impetus for dealing with any of the major social problems. And its relinquishment of all initiative on international issues, whether on the Middle East or disarmament, for example, betrays the awareness among conservative circles of the need to fall into line with

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American thinking on these issues so as to retain some scope for manoeuvre in the trade war. This is an historical error.

Mr President, unanimous denunciation of the nuclear threat has of late been echoing through the streets of Europe, and at the United Nations the vast majority of States has voted for a freeze on nuclear weapons. This absurd waste of social resources on armaments must cease before the unemployed begin to paralyze the social rhythm with their demonstrations. So, right now, we must thunder out 'yes!' to an agreement in Geneva for fewer weapons and more jobs, to increased support for the regional policy and to greater industrial growth in key sectors.

There is a clear need for a new policy centred on European autonomy. In view of the crisis and the forthcoming elections to the European Parliament this is a prospect which hails all the Left-wing and radical forces in Europe.

Mr Blumenfeld (PPE). — (DE) Madam President, I should also like to join the ranks of those who have congratulated the Danish Presidency on the work of the last few months. At the same time, despite it being Christmas, I must make some comments which may be construed as critical and will be regarded as such by the Minister.

May I start with Question Time. Even during the Danish Presidency, despite efforts by the Foreign Minister, Question Time with the Council of Ministers and the Foreign Ministers meeting in European Political Cooperation has proved highly unsatisfactory. The Members of this House are familiar with the difficulties. You must give an answer which is acceptable to all ten Ministers. But we believe, and I say this from my long years of experience, that it should be possible in Question Time to follow up a particular question and receive something more than just the stereotype answers from the Council Presidency. There is room for considerable improvement here. And I trust the next presidency is taking a note of this.

Three brief comments on our external relationships, those of the EEC and the USA and the Near East and South Africa. Our impression is that relationships between the EEC and the USA were better, less tense, and more open to settling disputes when the Commission alone was responsible for negotiations. Therefore the Council would be well advised in future to leave difficult economic questions, to wit steel, GATT and the most recent negotiations with the American administration delegation, entirely to the Commission. It has done its job splendidly. I should like to compliment the Commission, even if it is not actually listening at the moment. Relationships between the EEC and the United States have become considerably more tense over the last few months through the action of a series of Member States' governments. The Council

should think carefully about this, even if it is obviously very difficult to adopt a uniform position.

As regards Southern Africa and especially South Africa we must admit, surprisingly, that there have always been very different views in the European Community. I am not suggesting that the Council or the Foreign Ministers have not devoted sufficient attention to the subject. But sometimes the impression is created that the opinions issued to the public from the individual capitals and Foreign Offices have not been coordinated and are unrealistic.

And now to the Near East. Mr Foreign Minister, you have had to change very quickly from being a representative of the fourth power, namely the press, from an economic correspondent, into a foreign minister. I congratulate you on this quick change. The free and easy way you have sometimes appeared in the Near East in recent months has something quite charming about it, but I wonder whether it brings us any nearer to solutions. If you were to read what this Parliament has put forward over the past few years by way of suggestions and potential solutions to the immensely complex and difficult problem of the Near East, then the Council would perhaps consider it wise to depart from its stereotype answers and empty words with which you have always introduced the issues of the Near East in the past few years. I think you should also have another look at the continuing war between Iraq and Iran and not only approach the Near East from the undoubtedly serious angle of the Lebanon.

I hope that in future the Council will try more realistically and more intensely to coordinate with America its efforts to solve the problems in the Near East.

Mr Kallias (PPE). — (GR) Mr President, the time available to me suffices only for the drafting of a telegram. So here it is.

The statement by the Danish President-in-Office was clear and precise and it did not contain either impressive innovations or disappointments.

In the economic sector the six-month period of the Danish Presidency has passed by under a heavy shadow cast by the dramatic rise in the numbers of unemployed, particularly in the number of young people unemployed.

The Council rightly refers to the need for an increase in productive investment, for more advanced vocational training and for restructure of the working life-span.

I believe, however, that there is a need for a special working group to be set up to construct a model for a development programme lasting at least twenty years, without of course departing from the principles of the free market economy. In the framework of this pro-

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gramme unemployment would be tackled organically and lastingly through a series of short, medium and long-term measures.

In addition to representatives of the appropriate agencies of the Community this group should include representatives of employers and employees and of all political groups, as well as leading economists, sociologists and technical experts.

Greater reliance on the Community's own internal market will also help to reduce unemployment.

Quite rightly the statement also indicated a keen interest in research, because a great deal is dependent on success in this field. The present level of research is unsatisfactory.

The situations in Poland and Afghanistan and the violation of human rights very correctly cause indignation. But why such indifference over the eight years old Turkish military occupation of 40% of Cypriot territory and over the brutal treatment of part of the population of the Cypriot Republic, a country which has an association with the Community? And why such indifference to the persecution being suffered in Albania by the Greeks of Northern Epirus? Why this partiality? Circumstantial — but in my opinion, mistaken — motives of expediency do not justify indifference, and they cause moral disillusionment and political distrust.

Concerning the enlargement of the Community progress in the negotiations with Portugal is deemed satisfactory. In the case of Spain rapid accession is perhaps the only way of saving her democratic system. But our Spanish friends will have to come down to earth with regard to agricultural products and the dismantling of tariff barriers.

The Council is right to seek an improvement in relations with the USA, but there must be no retreat on the matter of the common agricultural policy. However, there must be a just reallocation between northern Europe and the Mediterranean south of the funds allotted for price guarantees on agricultural products.

World hunger ought to move us, but it should also galvanize us into action.

The pursuit of peace in the Middle East with complete recognition for the rights of the Palestinian people is a correct policy. In parallel with this there must, of course, be recognition of the pre-1967 borders of the State of Israel by all the parties concerned.

Unilateral disarmament carries a risk of subjugation. Only a real balance of power (conventional as well as strategic) can serve the cause of peace.

During the next six months of the German Presidency I hope that Parliament will vote through a draft for reforming the Community's institutions.

In the six months after that, under the Greek Presidency, I hope that all the Member States will consent to the enlargement of this form of European political unity.

Mrs Maij-Weggen (PPE). — (NL) Mr President, as group coordinator for employment aspects and social affairs I would like to comment in particular on the Jumbo Council, held under the Danish Presidency. In itself I find the idea of Jumbo Councils, an excellent one. It owes its origins to a Dutch Presidency and it is in part in response to a desire expressed by this House. In continuing what has by now become something of a tradition, the Danish President of the Council has earned our respect.

However, Mr President, it should be evident that the Community cannot afford to rest on its laurels. In fact, as we delve into the effectiveness of these Jumbo Councils our considerable deception becomes apparent. With regard to the most recent Jumbo Council, despite a motion adopted by the European Parliament containing clear instructions and despite the elaboration by the Commission of some first-rate working papers that meeting once again got bogged down and resorted to the all too familiar vague generalities, declarations of good intentions and an abject failure to come up with concrete measures. Indeed the only positive measure to come out of that meeting was the action programme of vocational training aimed at alleviating youth unemployment in the Community.

The real question, Mr President, is that of ascertaining the opinions of the Community youth regarding such a project. We in the House Committee on Social Affairs and Employment recently assisted at a hearing with the representatives of the Community youth unemployed during which we heard, to our astonishment, that they themselves were somewhat lacking in enthusiasm over the idea. On the contrary, they felt that the youth today had educational possibilities which far exceeded those which existed heretofore. The ranks of the Community youth unemployed counted a considerable number of highly qualified individuals. The real problem was, they felt, less attributable to the shortcomings, or absence of, vocational training but rather to the failure of the Community's industries to offer them employment. Consequently, what they need is not so much a vocational education action programme as an employment action programme. And indeed that was a point much spoken about at the recent PPE congress in Paris. I wonder whether both Commission and Council do not consider that a change of tack is called for, in the light of statements emanating from youth itself.

Mr President, just a comment on another important Council meeting, namely that devoted to Community environmental aspects. My group tabled an oral question in the House one year ago regarding the Council's accumulation of work on Community environ-

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mental laws. At that time 27 laws were still awaiting clearance by the Council and we had high hopes that, among others, the Danish Council President would clear up the log jam and get things rolling again. However, to our great deception, the most recent Council environment meeting adopted none of the draft laws awaiting approval.

Even a resolution forbidding the import into the Community of seal furs, despite no less than three positive opinions from this House, despite a unanimously positive opinion from the Community's Economic and Social Committee, and despite the backing of millions of Community citizens, was incapable of surmounting the final barrier represented by Council approval. I understand that a further attempt is to be made this coming Friday to obtain Council approval for this Community measure on seal furs. I appeal to you, Mr President of the Council to do your utmost to ensure approval of the measure. Once again millions of Community citizens are anxiously anticipating positive tangible action from the Council. At any rate, Mr President of the Council, you are in no doubt about my sentiments on the matter.

Granted, the Danish Presidency fell far short of expectations, concerning employment and environmental matters, but, at least as far as I am concerned, vigorous action on your part, leading to a successful outcome to the Community seal furs legislation, will have meant a glimmer of light at the end of a somewhat lean period.

Mrs Boot (PPE). — (NL) Mr President of the Council, notwithstanding the considerable praise for the outgoing Danish Presidency, voiced in the House today, I would like to make some critical observations with regard, in particular, to regional policy. How is it possible that, in reviewing the Danish Council Presidency of the past six months, you have not said a word — not a single word — about the pressing issue of the Community's regional policy? Are we to deduce from this omission that you have taken no measures in this field, or at least none of which we are aware? In the course of the preceding six months there has not been a single discussion of any consequence on regional policy at Council level. And yet Parliament and Commission have repeatedly identified regional policy as one of the Community's priority areas. Indeed a resolution of the Council itself, of February 1979, referred to regional policy as 'an integral part of the economic policy of both the Community and of the individual Member States'. You yourself have referred to a strengthening of the Regional Policy as a prerequisite for the attainment of further economic integration of the Member States' economies. In your statement to the House this morning, you repeatedly endeavoured to dispel any doubts about your commitment to a strengthening of the internal market. Well then, you ought to know that regional policy is a component thereof.

In clear terms, Mr President of the Council, it is quite astonishing that there has been a total absence of progress during the Danish Presidency with regard to the highly important measures elaborated by the Commission and submitted to the Council concerning revisions to aspects of the Community's Regional Fund such as geographical concentration, coordination policy, the gradual attainment of autonomous programme — financing, extension of the non-quota sector, integrated programmes, transferring to the Commission the decision-making powers in the non-quota sector, currently exercised by the Council.

Of the foregoing items I would like to comment on 'integrated programmes'. As you are aware, the Commission, in the wake of an initiative emanating from this House, elaborated proposals which it submitted to the Council concerning a draft regulation governing integrated action on accommodation problems in Belfast. Could the Council presidency not have found it within its powers to urge an intractable delegation, the Danish one perhaps, to make progress in just such an area as this? Should this present Council further postpone adoption of this draft regulation on accommodation, then one need hardly ask what the Community's citizens resident in the Belfast area will think of the Community as such.

These are some of the questions I would like to put to the President of the Council and I trust that his answer will shed further light on the points raised.

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) Madam President, I shall begin by thanking you for the many interesting and thoughtprovoking speeches which I have heard during the day. Even though I can see that many of those who have asked questions have succumbed to the strain of the debate and left the Chamber, I shall try and answer those questions on which I have managed to take notes.

Firstly Mrs Macciocchi, who mentioned the question of French-German cooperation. I must point out that French-German cooperation, *per se*, is a bi-lateral relationship, on which it is not up to me to comment, and in this connection I also have to repeat what I said earlier today in my introductory speech, that defence policy does not fall within the scope of the European Communities.

Mrs Macciocchi also mentioned the question of our contacts with the US. In my introduction I gave an account of the various consultations that have been held with the US during the Danish Presidency, but I might add that there also exists the usual diplomatic channels, i.e., the embassy of the Presidency in Washington and the American Embassy in the capital of the Presidency. Here can be found a constant and intimate dialogue on all those political subjects that are dealt with in the European Political Cooperation. In the light of the good experience that has been gained here

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I do not find that there is any need for those new institutions of which Mrs Macciocchi is talking.

I must also draw attention to the fact, that when Mrs Macciocchi mentions the Geneva talks, then in principle we are talking about bi-lateral negotiations, where a number of those countries that are members of the Ten are involved in the talks in another forum, where not all of the Ten are members, as you know.

I shall thank Mr Croux first for his most kind words on the Danish Presidency. Mr Croux raised the question that we have moved away from the road leading towards a European Union. I do not think that is the case. I do not share Mr Croux's pessimism on that point, but I am fully aware that it is a difficult road to travel and we must be careful not to walk too fast. However, we have not walked backwards.

Like several other members Mr Croux mentioned the question of the budget. And perhaps I may now put together a number of speeches that were concerned with budgetary matters and answer them jointly. Mr Croux requested the Council to show openness towards the Parliament in the conciliation procedure and points out that today and tomorrow are extremely important days.

Amongst other things Mr Fergusson also mentioned the budget. He criticized the Council for acting shortsightedly on the budgetary question. Mr Bangemann also mentioned the budget. He said — which I find very realistic — that the Parliament does not overlook the problem of the financial imbalance as regards the UK. But that this should not be settled simply by deciding on the size of the cheque which in due course is handed over to the British Government. Mr Bangemann drew attention to the fact that the vote yesterday should be interpreted as a pro-European decision. That was exactly the same point which Mr Klepsch brought up at a later stage when he said, that hopefully the Council would understand that this Parliament has given the Council a unique chance to work towards the future, and that Mr Klepsch took it for granted that the Danish Presidency would make yet another effort to achieve results. Mr Prag mentioned the budget. He touched on the idea that short-term solutions could be necessary while we are working on long-term ones. In answer to all those who brought up the question of the budget I shall use Mr Prag's speech as my starting point.

In the Council we are fully aware that the solution — which we have found after laborious and difficult negotiations — for the British budgetary problem for 1982 is a short-term solution. It is a solution which does not follow those Community principles that the Council as well as the Parliament would best like to follow. But, because of an extremely difficult situation it was necessary in order to create that political consensus which was required to keep a promise on economic compensation for 1982 given to the British

Government during the previous Presidency. The solution which was arrived at very late, and after very difficult negotiations, is contained in that supplementary budget on which this Parliament shall take a final decision tomorrow.

I will appeal to the Parliament to try and understand this is not to be taken as an expression of the way in which the Council wishes to solve this sort of budgetary problem. I will appeal to the Parliament to understand that the Council is completely aware of the fact that in this case, we are breaking some principles. But I will also appeal to the Parliament to accept that this is necessary in order to create the political foundation on which we can go on working together to find a long-term solution to those problems that obviously do exist as regards our budget and as regards the financing of our Community.

So my appeal to the Parliament shall sound as follows: Do not make it too difficult to continue working with this issue. Do not stick rigidly to principles: Give us an opportunity to solve the budgetary problems in a more long-sighted manner. This you can do by adopting the supplementary budget as it stands and by cooperating with the Council, where the Danish Presidency will do its utmost to find a compromise on the 1983 budget which is acceptable to all parties concerned.

It is obvious that our interests differ to a great extent in this area. But we have, indeed, many mutual interests. Our first and foremost mutual interest is in not allowing a question of money to be a stumbling stone for ideas which are concerned with something more valuable, before the viability of those ideas has been thoroughly verified. So this is my appeal to the Parliament: Be flexible tomorrow. The rest of us will also try and be flexible. Let us try to create a mutual basis for a better future in this area, in order that we may be able to deal with other subjects than 'just money' in the future.

Mr Croux also dealt with a standardization of our election act. I can inform Mr Croux that this point alone comprised a large amount of the discussion at the meeting in the Council of Ministers last Monday, in Brussels. No doubt it would have been too optimistic to expect that we would have proceeded very far towards a communal solution, but some progress was made. We solved some of the remaining problems such as the famous square brackets. We succeeded in removing a number of reservations, and we now have COREPER continuing the work, so that at the next Council meeting in January there will exist a basis for discussion. There is still a desire in the Council, a deep-felt desire, to produce a communal election act which can make the parliamentary basis of this assembly even stronger than it is today.

Mr Croux also mentioned the question of the accession of Spain and Portugal. Mr Croux pointed out that extremely hard work is necessary and I quite agree

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with Mr Croux. That is also the spirit that, for the moment, animates each and every discussion in the Council about the accession, and I would like to draw your attention to the fact, that when the new Spanish Foreign Minister visited us last Monday it was indicated to the new Spanish Government that the Council desired very much to make progress with the negotiations on the accession, even though we are very well aware that some extremely difficult practical problems lie ahead.

I would also like to thank Mr Fergusson for his pleasant remarks on the Danish Presidency. Mr Fergusson mentioned the debate on the situation in Poland. Mr Fergusson thinks we need some kind of text to describe the situation. I must point out to Mr Fergusson that it is still too soon to request such a text. As late as last Monday we had a thorough discussion in the Council of Ministers on the situation in Poland, and we agreed that the next couple of weeks may hold so many possibilities for development that it is now far too soon to accept a statement on the situation. But, as Prime Minister Schlüter also pointed out in his speech, I can assure Mr Fergusson that we will follow the situation very closely. When the time is ripe, when we feel that we have a sufficient basis for making a statement, then, naturally, it will be made.

The same goes for another point that Mr Fergusson brought up, namely an evaluation of the basic relationship between East and West under the new Soviet leadership. In this context, there are indeed so many indications that are difficult to interpret at the moment, that we need more time to arrive at a firm standpoint. I feel that it is very important that we do not advance too quickly. There may be those who have a vested interest in luring us to advance too quickly. We are faced with those who are experts on misinformation, and who have worked on this for many years. Let us take the time required to digest the information we receive, and formulate our attitudes at the right time and in the right place.

The steel agreement with the US dissatisfied Mrs De March. On the other hand I noted that others were satisfied with the steel agreement. Mrs Ewing in particular pointed out that an attempt had been made to produce a balanced solution. I can indeed confirm this. The steel agreement was a balancing of many conflicting interests, which were difficult to make compatible. But the fact that we reached such an agreement was far better than the situation which might have arisen if we had no steel agreement and had run into something that resembled a trade war with the US. That would not have served any one's interests; neither those of the US nor those of Europe. I believe we have reason to compliment the Commission on that steel agreement they managed to conclude.

Furthermore I can assure Mrs De March that the Council of Ministers want a political solution on the question of the Lebanon. In connection with her

remarks on the CSCE I must once again point out that questions on defence do indeed come under the power of the European Communities.

Mrs De March also mentioned the North-South Dialogue and its unsatisfactory development due partly to the fact that it has not yet succeeded in starting global negotiation. I must remind Mrs De March that during the autumn the European Communities, through the Danish Presidency, has endeavoured to play an arbitrating role in connection with the 37th General Assembly of the UN, in that we tried to get the strifing parties together in a more concrete manner on the basis of a text in which we attempted to combine the various amendments put forward by the 77 country group on the one hand and the US on the other. Unfortunately it did not succeed. But in spite of the fact that we have not yet succeeded in starting a global discussion, the North-South Dialogue continues. It will continue in the coming year within the framework of UNCTAD, within the IMF in connection with the quota-enlargements and in the International Finance Corporation, IFC, where the existing framework will likewise be changed.

I would like to thank Mr Bangemann for his kind and appreciative words on the Danish Presidency. He mentioned the question of unemployment, and I quite agree with him on the fact that there exists a large need to resort to unorthodox means to combat youth unemployment. I find it valuable, that which Mr Bangemann has emphasized, namely, that we must regard unemployment in the long term as a structural problem and not as a market fluctuation problem.

This was exactly what Mrs Tove Nielsen mentioned later on in her speech, where she pointed to the very role that the new technology plays. Consequently, these things have formed the background for the recommendations that were put before the European Council, and for the decisions taken by the European Council. They are decisions which will not procure many new jobs from day to day. But they will serve as a basis for such during the 1980s for working towards a more healthy foundation for the European society of the 1990s. The problems we are facing are, as I mentioned, structural and not based on market fluctuations. Therefore we must take our time. We must think in the long term. We must refrain from choosing easy, quick solutions, which far too many countries for far too many years, have spent far too much money on and with little result. We must think far ahead, which is what one does by following the line of thought that has been presented here.

Mr Bangemann mentioned the internal market problems, and he drew attention to the fact that we have attained quite a lot already. But as he also said, we are facing new problems, namely the wish for protection. It is indeed important — as Mr Bangemann also mentioned — to make it quite clear that there is no one in this Chamber who can have a completely clear consci-

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ence, when it comes to wishing to protect him or herself against others. Some may be more clever than others in hiding this fact. On the other hand there may be others who seem weaker in the face of this temptation. But it is in our mutual interest to combat the various attempts that are being made to protect one's own section of the internal market against competition from other sections of the Community.

Mr Nyborg requested that the Council work for concrete adoptions to strengthen the small and medium-sized undertakings, and I quite agree with Mr Nyborg on this point. This problem is indeed something which is clearly part of the Council's work.

Like many others, Mr Nyborg mentioned the common transport policy; and Mrs Ewing mentioned that the results achieved within the transport policy were not satisfactory. I must say that I quite agree with both Mrs Ewing and Mr Nyborg as well as Mr Moorhouse who brought up the problem of the transport policy; in fact we have only seen disappointing results so far. But I must point out, however, that later on in the week the Ministers of Transport will hold their semi-annual meeting, and we have a right to hope that during this meeting progress will be made in this field.

Mr Glinne mentioned the question of the 11 million unemployed, and he is of the opinion that nothing has been done for them. I feel that Mr Glinne has approached the problem from the very conception that fast and easy results can be achieved; and I must refer to what I said in connection with Mr Bangemann's and Mrs Tove Nielsen's speeches, that it is important to stick to a long-term view. We must not be frightened by the large unemployment figures we are facing now. We must pay heed to the fact that we must seek long-term solutions. Otherwise, each and every year we will be forced to invent unsatisfactory explanations for the problems in which we are immersed.

As regards Mr Glinne's remarks on part-time work and flexibility in the labour market, may I remind you of the fact that in this connection we are touching on one of those problems which are traditionally handled by parties of the labour market in most Community countries.

I would also like to thank Mr Klepsch for his friendly and appreciative words. I have already answered his remarks on the supplementary budget. But he also mentioned that the aspect of a security policy ought to play a greater part in the discussions on the Genscher/Colombo proposals. I would like to say to Mr Klepsch, that he is welcome to his opinion, but it will not facilitate our work towards a European Union.

Mr Prag also mentioned the Genscher/Colombo proposals. He said that the Ten have not progressed very far as regards the three key problems that I mentioned in my introduction. In this connection I must draw Mr

Prag's attention to the fact that a meeting will be held on the 24 January, 1983, between the Foreign Ministers of the Ten and the Enlarged Bureau of the Parliament. Then there may be a possibility for a much further development of the remaining problems.

I have already commented on Mrs Tove Nielsen's speech. I wish to thank her for her appreciative words, and for stressing that we of the different institutions, and from different parts of the world, may have different outlooks on many issues, but that we do respect one another. That is exactly the impression I have had every time I have been your guest in this Parliament during the short period I have been allowed to play the part of President-in-Office of the Council.

Mrs Tove Nielsen mentioned her association with the Knesset-delegation, and stressed the need for a continuous contact and dialogue with Israel. I agree with Mrs Tove Nielsen on the fact that some press reports on my visit to Israel were indeed sensational. Mr Blumenfeld also mentioned this, and to my great surprise, he was of the opinion that I should have behaved in an unconcerned manner during my travels in the Middle East. I must tell Mr Blumenfeld, that I have not been unconcerned. On the contrary, I have been very much concerned, and it may well be that very concern that has given rise to those allegations in the press to which Mrs Tove Nielsen referred. Because I did find it necessary, in order to be heard by our Israeli friends — and especially by Mr Begin — to speak in a clear and understandable manner in order to draw attention to the worry which must lie with the good friends of Israel in Europe, because Israel, without further ado continues its settlement policy on the West Bank contrary to those attempts that are being made, especially by the Americans, to start a peace process. I said this very clearly — for between good friends one should be able to speak clearly to one another — and in between it may be necessary to speak loud and clear in order to just be heard. It is my impression that I was heard. It is my impression that this point of view is now part of the debate in Israel, which, thank God, is a good and healthy democracy; and therefore it was possible to talk to them in this manner. I quite agree with Mrs Tove Nielsen that it is valuable to maintain a dialogue.

Mr Israël also mentioned the Middle East problem. Mr Israël attacked slightly the formulation we have used since the days of the Declaration of Venice, viz. '— self-determination with all it implies for the Palestinian people', and Mr Israël asks what is really meant by this? Is it in any way tantamount to Israel's existence? Therefore I must say quite clearly, in order that it shall not be misconstrued, that Israel's right to exist within safe borders is the one completely imperative part of the EC's policy on this issue. The other part is, justice for all people, including what Mr Israël referred to, namely self-determination for the Palestinian people with all that this implies. In the very expression 'with all that this implies', one can find the

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key to our role in the Middle East peace development, where we from the Ten do not try and compete with the US in trying to come forward with peace initiatives. On the contrary, as Mr Blumenfeld also requested, we support the American peace efforts. But with these words we draw attention to the fact, that it is up to the involved parties themselves to come forward with solutions that are acceptable to everyone, and which live up to the principles to which we have drawn attention, namely, the principles of security for all States and justice for all people. Now everything is set together beautifully!

Mrs Cassanmagnago Cerretti attacked us for producing a number of priority targets only in connection with the economic policy. I must point out, that the situation was not as bad as all that. As the Danish Prime Minister, also stressed, a certain amount of time was allotted to the European Council for the adoption of a number of quite specific actions: The question of research, development policy, extension of loan facilities, energy policy, etc. So it is not just a question of dealing with certain priorities. A framework has been defined for a programme of events.

And now to Mrs Else Hammerich. Well, what can one say to her? Mrs Hammerich is like Don Quixote of olden days: the lance is to be broken in a fight against the wind mills, and the wind mill against which Mrs Hammerich would like to break her lance is called co-operation between the EC and NATO. It makes me wonder, though, that Mrs Else Hammerich — maybe she does not read the newspapers thoroughly — has not stumbled across the quaint fact, that during the last few months I have at the same time been President-in-Office of the Council of Ministers of the EC and Honorary President of NATO. Maybe I should not have revealed this to Mrs Hammerich, because she will surely see in this a sinister relationship between the EC and NATO. This happens to be pure coincidence. It is due to alphabetical chance, as when constellations happen to crash. But the notorious letter which Mrs Hammerich produces here and on which she has spent so much time and energy, both in her own country and in this Assembly, is simply one which I once wrote in a kind hearted way to Mrs Hammerich, in order to explain that in NATO we discuss defence policy, and in the EC we discuss all sorts of other matters. So, in order to make sure that we do not have one opinion on an issue in one place and another opinion in another place, we arrange a certain co-ordination of our opinions. This corresponds to one being a member of a residents' association and of a Rabbit Breeders' Association, then one takes care to have the same opinion in one place as one has in the other, when one deals with overlapping issues. That is all there is to that, and nothing more can be added by Mrs Hammerich. But by now much ado about nothing is being stirred up, in the campaign that the Danish anti-marketeers are conducting prior to the coming elections. I wish you luck!

In my opinion Mrs Boserup said something very positive and reasonable about European political cooperation, in so far as Mrs Boserup did not mind that ministers meet and talk things over. This is a quite simple and realistic description of what goes on within the European political cooperation. We are talking about ten countries which have an ever increasing number of issues in common. They get together in order to find out if it is possible to give the same opinion on some issues. If they find out that all ten of them have a common opinion on some issues, well, then they have a common opinion, and then they stand in a much stronger position with regard to this opinion. If there is an issue they cannot agree upon, then they have no common opinion, and then there is no EPC issue to tackle. I am pleased that Mrs Boserup, in such a crystal clear manner has grasped what is the nucleus, the positive side, and the strength of the EPC.

As Mrs Boserup requested me to do so, then, of course, I am willing to repeat what I said in the Danish Parliament, namely, that it is incorrect to allege that there should be agreement between all ten Member States on the fact that one would like a common Council of Ministers to deal with both Community matters and EPC matters. As you know, this is not so. The Council of Ministers have been very good at swopping caps when we have discussed Community issues and European political cooperation issues. As I have just explained the nature of the debate is such that when we are talking about the European political cooperation, then it takes place in quite a different manner.

Mrs Boot asked: why not a single word on regional policy? I quite agree with Mrs Boot that this is an important issue, and I would very much have liked to have had it included in my statement. It was not included due to the fact that these issues are still being dealt with, and that as early as next month a debate is due to take place in this Parliament with the participation of the Council, on solely regional policy. I so hope very much that progress will then be made.

Finally there are Mr Blumenfeld's remarks on Question Time. I agree with Mr Blumenfeld that Question Time may appear unsatisfactory, and I can add: not only for you Parliamentarians, but also for one who comes here to answer questions. I hope we can talk frankly to one another now, so that no one gets offended. I have been happy to come here, and I feel that we as Parliamentarians can speak freely to one another — because you must try and remember every now and then, that we from the Council are not Feudal Lords, even if you often regard us as such. In fact we too are here on a Parliamentary basis. We have a Parliamentary responsibility and we follow Parliamentary rules.

But as regards the question Mr Blumenfeld has brought up: let me say quite bluntly, that a change is needed, and maybe I will recommend the Parliament

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to show some more self-criticism with regard to those questions one pours into Question Time which waste both the Parliament's and the Council of Ministers' time.

It has been very frustrating for me to experience, that amongst all the many good and relevant questions that are being asked, there are many questions where those who pose the questions should realise beforehand, with a minimum amount of effort, that I can only brush them aside in one way or another. What is the idea of asking questions about plastic bullets every single time, as indeed it was done, as late as this afternoon? About defence issues, which I must dismiss? About all those issues of which one is perfectly aware have nothing to do with the Community? If this happens, then I understand very well that the Chamber is emptied. And when the Chamber is emptied it is not particularly inspiring to have to stand here answering questions. In this way we deprive one another of the enjoyment of something that could really be a large source of mutual inspiration.

Let me finish by saying that I have enjoyed the couple of months I have been permitted to come and meet the Parliament, even if not very many of you have taken the trouble to turn up at those meetings. It could be amusing if next time — that will hopefully be in six years time, when the Danish Presidency is here again, for we should preferably have had two new Member States join us in the meantime, and I hope I shall still be here in six years time — that there would be a full Chamber, so that I might produce more significant answers, and you might be able to come up with some more significant questions. I am looking forward to that — but for now, thank you for the privilege of being together with you!

(Applause — A voice from the right: Bravo!)

President. — Mr President-in-Office of the Council, I should like, both personally and on behalf of my colleagues, to thank you very warmly for the very complete and well-reasoned answers which you have been so kind as to give to the questions and suggestions of the Members who have taken part in this debate on your presidency.

The debate is closed.

President. — The next item is the report (Doc. 1-944/82) by Mr Moreau, on behalf of the Committee on Economic and Monetary Affairs, on

the proposal from the Commission of the European Communities to the Council (Doc. 1-826/82 — COM(82) 601 final) for a decision empowering the Commission to contract loans under the New Community Instrument for the purpose of promoting investment within the Community.

Mr J. Moreau (S), rapporteur. — (FR) Madam President, Honorable Members, after the discussion in the Committee on Economic and Monetary Affairs of the Commission proposal on a Council decision empowering it to contract a further series of loans worth 3 000 million ECU, the NCI III in other words, I, as chairman of the Committee, should like to express our disappointment and our determination.

When we looked at the NCI III, we were disappointed about the manner in which we were consulted and about the shortcomings of the proposal itself, the subject of the consultation. During the concertation procedure with the Council on the NCI II on 15 March 1982, the European Parliament was assured by the Commission that it would receive the elements that would enable it to ensure the permanency and parliamentary control of the new Community loan machinery as soon as possible. Instead of being able to run a thorough examination of a proposal complying with these demands, the Committee on Economic and Monetary Affairs had, in only a few days, to decide on a new proposal of a provisional nature. The NCI III proposal which has been put before us is certainly better than the NCI II from some points of view. For example, the Commission proposes an additional slice of 3 000 million ECU, whereas it was 1 000 million before. The Commission has reintroduced the principle of authorization of the different slices of the loan by a qualified majority, and not unanimity, in the Council. Now the applications for loans will be transmitted to the Commission and the Bank simultaneously. And the financing contracts are also signed by both the Commission and the Bank. But these alterations are a long way from the establishment of a permanent Community instrument of the sort Parliament would like. So, in order to avoid impeding the operation of the NCI, the Committee approved the NCI III proposal — but not without underlining its disappointment and marking its determination.

Our approbation, as you will understand, is not unconditional. To mark our determination, the report before us contains a certain number of amendments to the proposal for a decision. These amendments reflect both the discussion which we had on our Committee and, in a certain number of cases, the discussion that took place in the Committee on Budgets. If the Council declines to accept this opinion, we will undertake a further concertation procedure — and this will surprise no-one — as the amendments are to do with three points that we think are essential — the permanency of the instrument, the increased role of the Commission in implementing the loans and the increase of parliamentary control.

In Article 2, for example, we stressed the provisional character of the current procedure for authorizing the Commission to effect a 3 000 million ECU loan. Now the NCI II 1 000 million ECU slice, on which we gave our agreement last March, is running out, it seems

Moreau

highly likely that this latest slice will be running out at the end of 1983.

Faced with the considerable need for investment in the Community and the need to run coordinated Community schemes in the vast field of intervention covered by the NCI, in particular energy, infrastructure and the whole of the productive sectors, we can no longer be content with more or less improvised prolongation. A permanent financing instrument has to be instituted and it has to be the privileged means of using the ECU.

As we said at the beginning, we approve the Commission's concern to do more than just decide on the eligibility of projects and to be closely involved, alongside the Bank, in the loan implementation procedure. As things stand, there is not enough clarification about the respective resources of the Commission and the Bank. The Commission's involvement in implementing the slices of the loan that it contracts leads us to suggest, in Article 5, that the Bank should give the Commission a reasoned opinion on the granting of each loan applied for. As we know, we and the Commission disagree on this point, but Parliament is intent upon asserting its will to see the Commission position develop here.

In its latest special report on loans, the Court of Auditors regretted the fact that the EIB used the same financial, economic and technical criteria to assess projects, regardless of whether the applications were for NCI loans or EIB loans. It also felt that it would be better if the Commission was also responsible for deciding whether NCI loans should be granted.

The same shortcoming is apparent in parliamentary control. The European Parliament expects to be consulted properly, not just on those parts of the loan that are to be authorized, but also on the policies and economic sectors for which loans may be contracted. If Parliament is to be able to take a decision in full knowledge of the facts, then it also has to have regular reports on the way the various slices of the loans are used.

Lastly, until the loan operation have been budgetized, the European Parliament, which has been calling for this for some time, will be unable to exercise its power in this field properly.

To conclude, Madam President, Honorable Members, I can only hope that you will back up your Committee on Economic and Monetary Affairs and your Committee on Budgets — which, made the same sort of conclusions — so we can get the Council to accept the modifications we have proposed and the Commission to propose the establishment of a permanent financing instrument of the kind we would like.

Mr Ortoli, Vice-President of the Commission. — (FR) Of what Mr Moreau said I shall only mention

his satisfaction at seeing us propose the 3 000 million ECU and his support for the Commission initiative. I say this because, having invented this instrument and being involved in fighting for it, I cannot be suspected of not being at one with the conclusions reached by the committee.

I should like to say so particularly clearly, as I feel that, in the debate — and I shall demonstrate this in my answer to the amendments — there is a certain amount of ambiguity. We thought our text corresponded well to what Mr Moreau wants.

Mr Moreau is proposing a completely different formula in Article 1. I am quite ready, for my part, to accept the amendment he suggests, as it is obviously fully in line with what can only be our intention when we know what effort we have put in to defending the text.

But I should like to tell Mr Moreau that, when he talks about urgency, we may regret it, but we are not surprised at it.

I should like to remind him that, when it came to the previous slice, we waited from October 1980 to April 1982 for a decision and that made us slow down the activity of the new instrument — which, without a shadow of a doubt, was not what Parliament or we wanted.

I do not think it is silly to talk about urgency for a subject on which we have all the data, because, after all, what is Parliament asking us? I shall reply to the proposed amendments point by point here.

You first of all ask us for perpetualization and you give it a different form from ours. I am perfectly willing to accept the amendment on this in Article 1.

You point out that you want to see the budgetization issue settled. I do not think one can complain about the Commission not having followed Parliament here. It preceded it, if you like, as we proposed that loans be budgetized in the financial regulation.

The debate is open. You think, as we do, that the speed with which we have to have fresh means might generate the fear that a decision will not be taken immediately, I, for one, am willing to accept your amendment to Article 2 — whereby the procedure introduced should be a procedure which covers the time during which the difficult problem of budgetization is settled.

I can see no problem here. On two fundamental questions from your point of view, there was no difference of opinion at the outset and there is none now, if I may say so, as I shall recommend that the Commission take your Committee's proposals for Articles 1 and 2 as they stand.

Ortoli

I shall not make exactly the same proposal — and I say this in all honesty — about the title, as it seems to me there is a certain amount of contradiction between the suggested title — proposal for a decision on budget authority — and the fact that, in the body of the text, we recognize that there is a problem on which we agree in principle but which has not yet been settled. But I shall explain why. I should like there to be no contradiction between the title and the content of the text, as there is obviously no basic divergence of opinion.

I can see no problems about the bulk of the other amendments.

You do not propose any changes to Article 3 or Article 4. In Article 5, it says that the Bank should give the Commission its reasoned opinion on the granting of the loan applied for within the prescribed time. This is already happening and it is part of the standard procedure in relations between the Commission and the Bank.

What I should like to see — and here I am perhaps nearer to your position than you think, which is why, as you said, we changed the original text to meet Parliament's wishes — is recognition of the fact. First, there is a whole system for proposing amounts and subjects. Discussions can take place normally.

Second, when a proposal is made to Parliament, the Commission has to be informed at the same time as the Bank — which has to be able to start its assessment. We say that the project is eligible or it is not.

If it is, the Bank goes ahead with the assessment. If we say no, there will be no dossier. In that case the Bank is not empowered to examine or define the conditions of the granting of the loan.

This procedure is carried out within the framework of a debate in which we are involved. We are involved, I should say, at every level, including the Board of Directors of the Bank. After this examination, the Bank may take a decision we do not like, that is to say it may decide, in particular, to grant a loan with which we do not agree and both signatures (that of the Commission, the political agent, and that of the Bank, the agent, which, as such, provides a guarantee) may be required.

As far as I am concerned, I quite agree — and I say this quite clearly — with what Parliament suggests, but I am a little worried about the text you proposed introducing additional ambiguity.

I can assure you that the examination of dossier is monitored in such a way that we can be sure that our rights are being respected.

With all due respect to the Court of Auditors, I should say that I do not entirely agree with what you said

about its report. First, it would be wrong to forget that this report deals with the first slice, a completely new experiment that is to say, in which we began to set up the instrument and make it work with existing dossiers — which the Bank was empowered to manage.

I explained to your Committee how concerned I was with giving the NCI its own character to an ever-greater extent, both via projects that the Bank did not already have on the drawing board and in fields beyond the Bank's scope. That is what we are doing. I do not believe, on the other hand, that the Court of Auditors is expecting us to be slack in financial matters, which would indeed be surprising.

So I think we have to be calm and careful. I shall not go so far as to exaggerate my interpretation of the Court's position. I am, in fact, quite ready to discuss the matter with it. I believe that, ultimately, what we are seeking is something very simple — greater exploitation of Community funds than is perhaps possible today with the European Investment Bank as the instrument — and we are seeking this from the point of view of the mobilization of means and from the point of view of the fields of application. That is what we propose and that is what you are supporting. You raised the question of perpetuation. I have already explained my doubts on the matter of Article 5. The Council and Parliament can assess operation. They can do so at any time and I have far too much respect for your prerogatives to think that this needs putting in a regulation. That is why I shall not propose that this be used. But I do understand the problem and I assure you that it seems more than natural for Parliament, provided with all the information and playing its proper part, to be able to make this assessment at a given moment. But I believe that this works fairly well, as you have a prerogative and I think it is pointless to point it out in a regulation. So I shall not be proposing that this be used in the Committee — but please remember that there is no problem as far as I am concerned and that this will be made clear publicly as regards the fund.

We are not hostile. We have tabled a proposal, now being discussed, on interest rebates and energy saving. But I do not believe that interest rebates should be granted if there is no need for them. And, after all, if we are offered a very good loan using the taxpayers's money, if I can put it like that, I do not think that we should be granted it simply because it is European.

So I do not mean to say that I do not share the concern of Mr Rogalla, who has found the means of stimulating things where this is called for, but I believe that it would not be a very good idea to do it in an imperative manner where it is not really necessary.

There I confirm an outlook — and a practice which is, after all, very much more serious, an action, and I do not think that the regulation should be made more complicated by the introduction of this notion —

Ortoli

although, of course, if it were necessary, I would be ready to do it.

That is the reply I had to make. I hope that this clarification will be enough for Parliament to be able to take a decision and I thank it for doing so.

Mr Herman (PPE). — (FR) Madam President, Honorable Members, our group supports the Moreau report with conviction. It does in fact think — particularly in the present circumstances — that the Community should make a special effort to encourage investments and the proposal made today by the Commission is perfectly in line with this. We also insist on the principle of continuity, the permanency of the system. It would appear that, as the Community expands, it has to have instruments that are not submitted to the sort of hazards and decisions that can change in the light of political changes in the Member States. So we need permanent instruments and the NCI must be one of these. We are, obviously, in favour of the budgetization of loans, but we are somewhat divided as regards the relations with the Bank, I have to admit.

A majority of members in our group shares the point of view of the Commission, which is to say that, as far as the assessment of costs is concerned, the Bank has to be responsible as the political responsibility of the Commission, via its agreement on eligibility and its agreement on the granting of the loan with two signatures, has involved its responsibility. And the Bank does not wish to be alone in shouldering the responsibility for the risks of these loans made in the name of the Commission. So in this field, things are clear, as far as we are concerned.

But I also have to say, in all objectivity, that certain members of the Committee on Budgets are rather overawed by the reports of the Court of Auditors. I shall tell you right away that the Court of Auditors' report on this point makes no impression on me at all because there is confusion between political responsibility and the political control of Parliament and the Commission and between the financial control which is the sole responsibility of the Court of Auditors. The Bank has its own revisers, its own control of its own accounts and it is therefore in a position to tell the Court of Auditors of Europe that, as far as the granting of these loans is concerned: 'I have my own reviser, I don't need yours'. All we ask is that there be clear collaboration between the higher authorities — the Board of Directors of the Bank — and the Commission with a view to making the checking and auditing procedure acceptable to both parties — the Bank with its revisers and the Commission with the Court of Auditors. So, a vast majority of us is favourable to the Commission's idea. This is why we are not very satisfied with paragraph seven, which says that the relations between the Commission and the Bank need more clarification and the Commission needs to be more involved. We believe that, if our friends on the

Commission on Budgets wish to be logical and if they want the Commission to go further in its assessment of the granting of loans, then it has to provide the personnel needed to perform this operation. But, in other ways, they refuse. So there is a slight contradiction here amongst our friends on the Committee on Budgets, although I understand that, mesmerized by the logic of the Court of Auditors, they have submitted to considerations whereby they accept what they have put in paragraph 7.

But insistence on the use of the ECU is more important, I think. I know that we are touching on a delicate matter here. It would be all too easy to say Yes, but the ECU is not adequately used and that complicates things. It is not always possible to find who to borrow ECUs from, as the banks are not used to dealing with this currency. I am aware of these objections, but we have to have a voluntarist attitude here. We, Parliament and you the Commission are attached to the ECU and the European Monetary System and, even if there are practical disadvantages — and this is something I would not deny — we should still be encouraging people to use the ECU. Our text perhaps does not make enough of this, but I think you are in full agreement.

As to Mr Rogalla's amendment, I agree with you, Mr Commissioner, that this should certainly not be made into a condition or an obligation for the Commission. On the contrary, I think it would be useful to reserve it as a possibility as there are projects which have been devised and perfected by several companies in several countries and are worth our support. As it is easier to implement a project within a state framework, it is up to us to encourage a kind of transnational collaboration. So this drawback has to be compensated for and I should like the Commission to remember for another time that, when there are projects involving a number of economies and with major transnational effects, it has to encourage this type of loan by a reduction in the interest rate of no more than 2%. That is the type of incentive which I think it would be useful to introduce. As to the rest, Mr President, Mr Commissioner, our group is determined to support your action in this field and it is anxious to give you the praise you deserve here, as we know you have pioneered in this field and that you are continuing to do so with a great deal of obstination. You have our support, believe me.

Sir Brandon Rhys Williams (ED). — Madam President, I would like to join Mr Moreau, the chairman of the committee, in deploring the haste with which Vice-President Ortoli, who is normally so scrupulous with Parliament, on this occasion chose to rush the Committee on Economic and Monetary Affairs. I and several colleagues felt obliged to abstain in the committee, though in principle we welcome the Commission's initiative. All of us recognize the part that Vice-President Ortoli has played in the all-important

Rhys Williams

development of the new Community instrument. However, important issues were not adequately discussed in the committee this time, and this gives us concern.

This week's budget disputes prove the point, which I have sought to make in this Chamber many times, that the Community's economic problems are too deep-seated to be resolved on a year-to-year basis. The Community is tackling the problems of the Computer Age with the techniques of the Stone Age, when people could only look forward from one year's crop to the next. We must, therefore, develop a capital account for the Community.

The European Investment Bank performs its role admirably, but it is not empowered under its constitution to take risks. We therefore need in the Community something like the equivalent of an IDA to tackle the investment projects which cannot be financed by normal commercial means.

It is not implicit in the Commission's proposal that it intends to use the new *tranche* of capital for projects demanding an element of subsidy. They could be projects which cannot be financed by normal methods, perhaps because they are exceptionally large or extend over a very long span of time, like the Severn barrage, or involve crossfrontier commitments, like the Rhine-Danube canal or the Channel Tunnel, where the Commission could decide to play a special role as sponsor. However, there may also be a need to include an element of subsidy in other cases, drawing on contributions, possibly, from the Regional or Social Funds.

These are issues which should have been much more fully examined in committee and on which my group feels serious reservations. However, Parliament has laid emphasis on the need for the Community to develop its own capital borrowing and expenditure competence. We therefore welcome the Commission's initiative as an urgently necessary step in the right direction.

Mr Cousté (DEP). — (FR) Madam President, we are pleased at the organization of this debate on the new Community instrument. The Heads of State and Government are aware of the dangers of the crisis and of the high level of unemployment — there are more than 11 million jobless in Europe — and they have invited the Council to take a decision, rapidly, before the next European Council, to increase the endowment of the New Community Instrument by 3 000 million ECU.

The first two slices of the NCI were a success and it is therefore important that we should continue with it. I should like to congratulate the rapporteur here, the chairman of the Committee on Economic and Monetary Affairs, our colleague, Mr Moreau, for having speeded up the procedure on that Committee.

I say so particularly sincerely because I feel that the problem has floundered so far, not just at political level, but technically as well. What was the relevant budget authority? Should loans be budgetized? Should they have a ceiling? There seems to be a solution in sight on these points at the moment and our group is pleased about it, because it is fundamentally important for the Commission to be able to borrow large sums on the financial markets and to place them in the light of the needs of the different sectors of the economy.

There are many advantages to this system for the borrower, of course. But there are symbolic advantages too, as Europe is doing a positive thing here and the machinery can contribute to lowering the interest rate by a marginal contagious effect — and not so marginal as people say, as, combined with the other Community instruments, our action in the financial sector is well worth the action of the World Bank. Who knows whether Europe's economic history might not be changed by this means? Of course, there are limits which banking techniques impose on one's borrowing capacity and it is up to the Commission to see that these limits are respected.

As to the types of projects that are eligible, I shall speak mainly about energy and the small and medium-sized firms. It is a good thing to develop projects for the rational utilization of energy and I suggest, for example, that we capitalize on inter-connection at Community level by helping firms involved in large-scale projects where financing can be split up. I also suggest that the Commission, with the collaboration of the Member States and the local authorities, help specific types of heating that can, for example, cover a whole region. The idea, in fact, is to centralize the machinery for financing energy saving, as it is, it has to be admitted, too complex at the moment.

As to the problem of small and medium-sized firms — Mr Ortoli was kind enough to draw attention to this when he gave his agreement to the letter of an amendment, for which I thank him — I should like it to be clearly understood that, since 1983 is the year of small and medium-sized firms and craftsmen, it should be more of a symbol, as their problems usually involve doing the rounds of bankers for loans. Thanks to global loans, the European Investment Bank has been able to lend national and regional banks capital which they have then loaned out to borrowers within their limited geographical sector. This system no doubt needs amplification and extension. This is the direction which the discussions of the Committee on Economic and Monetary Affairs is taking. The NCI is the opportunity to do this.

Should we now be launching operations of the risk capital type? That is a political question. We have to know to what extent the budget authority should be committed. Perhaps we could try, on an experimental basis, to release an amount to finance this type of scheme — in which the EIB, of course, would not

Cousté

have the same part to play, as it cannot, unless it is to forfeit its technical status as agent, as Vice-President Ortoli said, be allowed to promote operations which, in view of their size, necessarily have a political character.

Those, Mr President, are my thoughts on the NCI and our colleagues's first-class report — which our group will vote for, in the hopes that this new instrument will, through its size, make for greater use of the ECU within the framework of the Economic and Monetary Union. That is how we hope to act for Europe.

President. — The debate is closed.

The vote will be taken at the next voting time.

(The sitting was suspended at 5.25 p.m. and resumed at 5.30 p.m.)

IN THE CHAIR: LADY ELLES

Vice-President

6. Question Time

President. — The next item is the second part of Question Time (Doc. 1-1000/82).

We begin with the questions to the Council.

Question No 55, by Mrs Ewing (H-280/82):

What progress has the Council made in setting up the European Economic and Social Policy Research Institute since my oral question of 8 July 1980¹; Why has a decision not yet been reached; and will the Council establish this Institute in central Scotland, where economic and employment problems are serious, and which enjoys good international air links with other Member States?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) I regret to inform Mrs Ewing that no progress has been made in this matter since the Council, in 1980, answered a similar question from Mrs Ewing. Within the Council it has not been possible to attain the necessary consent for the proposal from the Commission to the setting up of a European Economic and Social Policy Research Institute. Consequently, it has not been possible for the Council to decide on the site for such an institute.

Mrs Ewing (DEP). — That answer is a case of no news being good news, as far as I am concerned. At least it does not seem that this Institute is going somewhere else.

If a decision is made, however, I would ask that Scotland's aspirations be borne in mind. After all, a Scotsman, Adam Smith, was the father of economics. Furthermore, a decision to locate the Institute in Scotland would be a very good indication of the seriousness with which regional policy is taken.

Mr Ellemann-Jensen. — (DA) I can assure Mrs Ewing of the fact that my personal fundamental political attitude is based on a deep-felt attachment to Adam Smith, and therefore I shall always be able to understand the way of thinking presented by Mrs Ewing.

Mr Hutton (ED). — Is the President-in-Office of the Council aware that Europe's finest airport is situated at Prestwick in North Ayrshire and that one of the highest levels of unemployment is also unfortunately to be found in that area? If he is looking for a precise spot to place such an institute in the future, will he give us an assurance that the claims of this area will be borne strongly in mind?

Mr Ellemann-Jensen. — (DA) I have to admit that this piece of information is quite new to me, namely, that Prestwick should be one of the finest airports in Europe. But then, it is some years since I was last there.

President. — Question No 56 by Mr Martin has been postponed until January.

Question No 57 (H-448/82) by Mr Kaloyannis:

I have received information that all the various material originating in the Member States of the Community and destined for the construction of the Russian gas pipeline is being transported in Russian vessels. Can the Council confirm whether this is true? If so, why did it not take care to prevent this state of affairs and what action does it intend taking to ensure that from now on these materials are shipped by Community vessels since the Community merchant marine has for some time been going through a serious crisis which is adding considerably to the number of unemployed in the Community and is increasing the number of Community ships laid up? As the Greek fleet accounts for 26% of the Community's merchant marine, the prejudice it suffers is particularly great.

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The Council does not possess information

¹ OJ Annex No 1-259, p. 116.

Ellemann-Jensen

with regard to the flag of the vessels participating in the transport of material destined for the construction of the Siberian pipeline. I can furthermore inform you that the Council has received no proposals on this matter.

Mr Kaloyannis (PPE). — (GR) Unfortunately, I am not at all satisfied with the reply given by the honourable spokesman for the Council. I think that since the time this question was tabled it has been possible, or should have been possible, for the Council to inquire into the matter. So the queries go unanswered, and they really are important. For the information of the honourable spokesman for the Council I can say further that only two French vessels have been used for the transport of these materials.

Mr Ellemann-Jensen. — (DA) For the moment the EC has no general Community shipping policy, apart from in a single area. And the area in which we do have a common shipping policy is within the UNCTAD's codex for line-conferences, where the EC has decided upon a certain procedure of implementation for the Member States. But all Member States support the liberal principles for transportation by sea that are set up by the OECD.

Sir James Scott-Hopkins (ED). — Will the Minister accept that this raises the much wider question of whether or not Community goods should be carried in Community ships? In this particular case, of course, there have been a lot of Russian ships used for transporting the materials. I have seen it in my own country. Will he examine this question again in the wider context and see whether it would not be advisable, in view of the present shipping slump, for the Council of Ministers to come to a firm decision to encourage, where possible, Community goods to be shipped in Community ships?

Mr Ellemann-Jensen. — (DA) The Council is fully aware that there may exist certain specific problems in the area of shipping policy in relation to the Eastern European State trading countries. Therefore, in 1978 the Council adopted resolution No 78/774. According to this resolution Member States may seek information and take counter-measures against merchant fleets of third countries whose behaviour is harmful to the shipping interests of Member States. I can also add that the Council is fully aware of the fact that in July of this year the European Parliament adopted a resolution on relations between the EEC and the Comecon countries in the field of transport policy, whose aim is that Community transport undertakings should be treated in the same way as Comecon transport agencies are treated in Western Europe.

Mr Habsburg (PPE). — (DE) Does the Council appreciate that this discussion and also the report to

which the Council has referred show clearly yet again that it is high time for our Community to be consistent in its approach to the basic difference in external trade and external transport between state-trading nations and free-trading countries as this is a question of principle?

Mr Ellemann-Jensen. — (DA) I completely agree with Mr von Habsburg that these points are closely connected, and are part of the present considerations.

President. — Question No 58 by Mr Hutton (H-472/82):

Following Parliament's proposals of July 1981 and those of the Commission of December 1981 for reform of the conciliation procedure, what progress has the Council made in this matter since its discussions in May and June 1982; and will the Council agree to reforms by the end of the current Presidency?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The Commission's proposal for reform of the conciliation procedure was discussed by the Council in its meeting of 22 June this year. On that occasion no agreement was reached between the Member States, and therefore the discussions are continued with a view to a renewed hearing in the Council.

Mr Hutton (ED). — Does the President-in-Office agree that the proposals in the Hänsch report for reforming the conciliation procedure, some of which, I know, appear in the Genscher/Colombo draft Act, do not involve revolutionary new powers for the Parliament but merely limited amendments to the 1975 joint declaration on conciliation? Would he perhaps say, in the light of that, why national governments appear to be so reluctant to discuss such limited reform which would only have the effect of speeding up Council decision making, which I think we all agree we desperately need?

Mr Ellemann-Jensen. — (DA) I am hesitant to say why other single Member States may be reluctant. But at any rate I can inform the questioner that at the moment the Secretariat of the Council has information to the fact that the conciliation procedure has been put on the agenda of the meeting I mentioned earlier on today, and which is to take place towards the end of January between the Enlarged Bureau of the Parliament and the ten foreign ministers, and where all outstanding problems on the Genscher/Colombo proposals are to be discussed. So on that occasion there will be ample opportunity to take the point up again.

Mr Radoux (S). — (FR) Can the President of the Council tell us whether the existence of an agreement

Radoux

between the Council, the Commission and Parliament on budget matters would help the situation as regards the question put by my colleague?

Mr Ellemann-Jensen. — (DA) These things may not be directly connected, but conciliation will always contribute to easing a situation. And I particularly hope it will be possible in connection with the present problem concerning the budget.

President. — Question No 59 by Mr Moreland (H-477/82):

Has the Council received from the Commission proposals for the quota levels for imports of ceramic products from China; what levels are proposed; and what action does the Council propose to take?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The import of ceramic products originating in China is wholly or partly subject to quotas. The size of these quotas is fixed by the Council once a year, when it decides on those quotas which are to be allotted to all state trading countries. In the proposals for quotas for 1983 which the Commission has just sent of the Council it is proposed that the quotas for certain Member States be increased a certain amount and that the export possibilities for China to other Member States, including the United Kingdom, are kept at the present level. The proposals will now be dealt with by the authorities of the Council, and the Council will make its final decision before the end of the year.

Mr Moreland (ED). — Would the President-in-Office not agree that the reputation of the Chinese in this field has become a little tarnished this year because they tried to exceed their quotas in certain countries and caused difficulties, particularly in Italy, the United Kingdom and Ireland, and that a firm decision must therefore be taken by the Council, I hope along the lines that the Commission has proposed, not only on these quotas but to ensure that the Chinese abide by them next year?

Mr Ellemann-Jensen. — (DA) I can only say that I am in complete agreement with Mr Moreland that the existing rules, naturally, must be kept, and we will, with great care, see to it that this is done.

Mr Habsburg (PPE). — (DE) Mr President, is the Council not concerned not only about imports from the People's Republic of China but equally about imports from Chinese Taiwan?

Mr Ellemann-Jensen. — (DA) Quite honestly I do not know what to answer to this. But I am willing to try and find an answer on a later occasion.

President. — I think in fairness, Mr President, that this does not come within the terms of the question.

Question No 60 by Mr Psemazoglou (H-485/82):

Public figures of a country which is negotiating accession to the EEC, in commenting on recent events, said that they felt uneasy about the stability of democracy in their country.

Does not the Council agree that a reminder should have been given that only States which are democratically governed can become and remain members of the European Communities?

A declaration of this kind would significantly strengthen democracy in Europe and underline the solidarity of the Member States in these negotiations.

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The negotiations on accession of new Member States have at all times been conducted under the prerequisite that the applicant countries can and will respect the basic principles of the treaties and the ensuing commitments. These principles have, amongst other things been clearly stated on the 5 April 1977 in the joint declaration from the European Parliament, the Council, and the Commission, on the basic principles and in the declaration on democracy which was adopted by the European Council on the 7 April 1978. In this declaration the heads of states and governments confirmed their will 'to safeguard the respect for the judicial, political and moral values which they profess, and the principles of representative democracy, the principle of the state based on law, social justice and human rights'. They stated that the application of these principles implies a 'pluralistic, democratic mode of government which safeguards both that various modes of thought can be represented within the framework of the constitution and the necessary protection of human rights'. Applicant countries must also consent to these declarations in so far as they, from their accession, inherit the *acquis communautaire*. During the accession negotiations the Community has repeatedly pointed out to Spain and Portugal that democratic conditions are a prerequisite for membership, and this happened most recently in the declaration on the accession adopted at the meeting of the European Council in November 1981. On that date it was said: 'The European Council recalled that the Member States of the Community decided to start negotiations on the accession of Portugal and Spain aware that the democratic governments and the people of the two countries would support all the aims of the Community as mentioned in the preamble to the EEC treaty.'

Mr Psemazoglou (NI). — The President-in-Office of the Council has made a very important statement, but I would like to ask two questions.

Pesmazoglou

Firstly, would collective bargaining and free trade union movements be considered as being amongst those democratic principles which have been referred to?

Secondly, is the President-in-Office of the Council aware that such statements and their reaffirmation constitute a factor in influencing stability in candidate countries, as indeed throughout the whole Community?

Mr Ellemann-Jensen. — (DA) The answer to the second part of the question is decidedly yes. But I must admit that I find it hard to understand the first part of the question as it comprises points that have nothing to do with one another. I have talked about democratic rights and political systems. But what the questioner called attention to, as far as I understood, was of a somewhat more straightforward commercial character. But to the second part of the question the answer is decidedly yes.

Mr Van Minnen (S). — (NL) Well now, the democratic character of the Community — there's something for you! The President-in-Office of the Council has just ventured a remark on the need to respect the basic principles of democracy. I can't help feeling that instead of speculating on the possible evolution of democracy in the Iberian peninsula a much more pressing need is dictated by the present reality in yet another prospective Member State — Turkey. I see from a report in a prominent British newspaper, 'The Daily Mail' that the Community has chosen this moment, of all times, to appoint a new permanent EEC representative to Turkey at ambassadorial level. How does this fit in with the President-in-Office's anxiety over fundamental democratic ideals?

Mr Ellemann-Jensen. — (DA) I have no answer to this question.

Mrs Clwyd (S). — I would like the President-in-Office to agree to investigate the claims by Mr Van Minnen because I think it is a serious matter when a headline in a newspaper in Britain says that the EEC has appointed an ambassador to Turkey. Now is that the case, Mr President, or not? And if it is not the case, will the Council and also the Commission make sure that the right information is given to that newspaper and that this misconception — and I hope it is a misconception — is put right.

President. — Does the President-in-Office wish to answer that question?

Mr Ellemann-Jensen. — (DA) Of course we can look into this, but as a former journalist I know very well

how newspaper headlines are made. And if they are made just as badly in England as in my country, we should'nt let ourselves get worked up over this point.

President. — Under the rules a Member cannot put two supplementaries to the same question, but perhaps I could draw Mrs Clwyd's attention to the original question. I suggest that she put down another question on this subject so that the President-in-Office can answer it, because her supplementary did not strictly follow the first question. She is entitled to put down another question for the next part-session if she so wishes.

(Mr Boyes asked for the floor).

Are you a point of order, Mr Boyes?

Mr Boyes (S). — No, I am a man. Do you mean am I wanting to raise a point of order, Madam President? I never insult you when you are in the Chair because I have tremendous respect for you, as you know. I think it was a translation error.

President. — We do try and keep to one nationality from each political group to put supplementaries in order to get through them in a reasonable manner, and Mrs Clwyd has already put a supplementary on this particular matter. However, if you did wish to raise a point of order, of course, I give you the floor.

Mr Boyes (S). — I totally agree with what you are doing, but I only wish there could be some consistency amongst other Presidents. Yesterday six British Members — four from the European Democratic Group and two from the Socialist Group — all spoke on one question about Stansted airport in which I was most interested. There has to be some consistency.

My question to the Council on the point of order is as follows. When a direct question is asked — such as: 'I somebody an ambassador or not?' — would Question Time not progress much more quickly if a simple 'yes' or 'no' answer were given?

President. — Mr Boyes, as you know, the questions have to be received a certain time before so that the President-in-Office can give as full a reply as possible. I think one or two of the supplementaries that have been put today have really not made the President's life any easier. He was not suitably advised beforehand that these questions were going to be put, and it is for this reason that I suggested to Mrs Clwyd that it is a perfectly fair question if she likes to put it down next time. I know that the President-in-Office will seek to answer that question.

Question No 61 Mr Israël (H-492/82):

President

In its answers to the European Parliament and in its correspondence, the Council generally uses the term 'Assemblée' (Assembly) in French.

Does the Council not think that even when it is using the language of Molière the name given to the body which was set up under Article 1 of Section 1 of the Treaties revising the Treaties establishing the European Communities and Acts relating to the Communities should be that sanctioned by usage and enshrined in the Lomé Conventions as adopted by the individual parliaments of the ten countries?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) This is an interesting question. The naming of the institutions of the European Communities is defined in the treaties on basis of which these Communities were established. That refers to in particular, article 3 of the Euratom treaty. Only by having a treaty which revises the aforementioned treaties will it be possible to alter the official names as provided by the treaty for one or other of the institutions. And the Lomé Convention, which was quoted, does not belong to that category of the treaties. For practical purposes and apart from official legal acts the Council does, however, use the term 'European Parliament' in all Community languages.

Mr Israël (DEP). — (FR) Mr President, I should like to thank you for being willing to answer this question, but I do not think you can say that the Council uses the word 'Parliament' in all the official languages. All the documents from the French President, in French, say 'Assemblée'.

My question is as follows. Are you not afraid that historians of the future, in three or four centuries time, that is, who look through the European Parliament's archives will wonder whether there were not in fact two parliamentary bodies that met in Strasbourg, one called the Assembly and the other Parliament?

Mr Ellemann-Jensen. — (DA) I understand Mr Israël's bewilderment very well indeed, and it does seem as if the Parliament itself is in doubt as to its own denomination. In a publication, published by the Directorate-General for Research and Documentation last September on the occasion of the 30th anniversary of the Parliament, one can read on the title page of the French version both '*Parlement Européen, une assemblée en pleine évolution*' and '*30 ans de Parlement Européen*' — so, admit there is a certain confusion about the concept in many places.

Sir Brandon Rhys Williams (ED). — Would the President not agree that it is not really important what people call us as long as they recognize and respect our vital function, which is enshrined in the Treaty and imposed on us, as one of the Community's major insti-

tutions, by that selfsame Treaty, namely, to safeguard permanently the democratic character of our Community?

Mr Ellemann-Jensen. — (DA) I am really confident that this assembly and its esteemed members will certainly be respected regardless of what it is called. As regards the existing confusion, as to whether it is a Parliament or an Assembly, may I remind you of the fact that the French Parliament calls itself the National Assembly.

Mr Radoux (S). — (FR) The President-in-Office of the Council is right to refer to the Treaty; he is quite right, it is an Assembly. But does the President-in-Office not feel that he is in error when, speaking of Lomé, he says that it does not fall within the field of application of the Treaties, and does he not also think that he is in error when he says that on the occasion of the anniversary of the European Parliament we stated that it is an Assembly? Nobody here claims that the European Parliament is not an assembly.

Mr Ellemann-Jensen. — (DA) I am afraid that maybe I was too brief with my first answer. When I mentioned the Lomé Convention it was with reference to Mr Israël's reason for his question in which he referred to the Lomé Convention, and where I simply pointed out that the Lomé Convention is not a treaty in the same sense of the word as is the EEC-treaty, etc. I feel sure we cannot disagree on this.

President. — Question No 62 by Mr Papaefstratiou (H-499/82):

Pursuant to Articles 193, 194 and 195 of the Treaty of Rome, the Council of Ministers of the European Communities shall appoint, every four years, the members of the Economic and Social Committee of the European Communities from a list of nominees of the main productive classes who are designated by the appropriate organizations and proposed in turn by the governments.

During the recent procedure for the appointment of Greek members of the ESC, did the Council of Ministers take adequate steps to ascertain whether the nominees were truly representative since, according to my information, the groups representing the productive classes in the ESC are questioning whether certain of the members appointed are representative, because certain of the nominees designated as the legitimate representatives of their classes are different from those which the Greek Government, strangely enough, proposed to the Council?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) With a view to new appointments of

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members of the Economic and Social Committee in 1982, each Member State — in accordance with article 195 of the EEC treaty — forwarded a list to the Council containing a number of nominees which was twice as large as that reserved for its population. In accordance with this article the Council, on the 17 September 1982, obtained a statement from the Commission which voiced a positive attitude towards the nominees proposed by the governments of the Member States. At the meeting of 20-21 September 1982 the Council appointed a new Economic and Social Committee for the period 21 September 1982 to 20 September 1986. The Committee has thus been appointed in accordance with the Treaty.

Mr Papaefstratiou (PPE). — (GR) I have listened to the reply given by the President of the Council of Ministers. However, in accordance with the Treaties it is incumbent on the Council to ascertain whether the nominated representatives of the main productive classes are truly representative. In the case in question the present Greek Government, the Government of PASOK, made nominations only from within the cadres of its own party, and not from among those designated by the main productive classes. This has led to a debasement in the composition of the Economic and Social Committee of the European Communities, a body whose function is of very great importance. I request the President of the Council to examine this matter with the requisite care.

Mr Ellemann-Jensen. — (DA) The honourable member seems to interpret the Treaty to the effect that the organisations of single Member States should appoint the members. But according to the Treaty the members of the Committee are appointed unanimously by the Council on the basis of a list which the Council receives from the Member States. The only possibility open to the Council is to refer to this list and to the selection that has taken place in each single Member State. With regard to the internal procedure for the selection of nominees in the Member States, I must suggest that the honourable member turn to the government of his own country if he does not find that the nominees are sufficiently representative.

Mrs Boot (PPE). — (NL) Given that the President of the Council has just stated that, as part of the nomination procedure, the Commission is consulted, I should like to know what criteria the latter-named institution applies in elaborating its proposals for submission to the Council? It may appear to be more a question for the Commission than for the Council but it is nevertheless an integral part of the nominating authority vested in the Council.

Mr Ellemann-Jensen. — (DA) I agree with you that this question should maybe be put to the Commission.

I myself would also like to put this question to the Commission.

President. — Question No 63 by Mr Rogalla (H-503/82):

Has the Council already begun work on the Commission's proposal for a decision on reducing and facilitating checks at the Community's internal frontiers in view of the generally accepted urgency of the matter, which the Council has itself confirmed, and is it prepared, if necessary to do so as soon as possible, at least as regards the technical details even if the European Parliament's opinion is still in preparation?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) At the request of the European Parliament the Council has expressed its attitude as follows: Apart from urgent cases according to the commitments of the Council, it is the Council's intention to deal with proposals from the Commission which have been referred to the European Parliament, only when the Council has received the opinion of the Parliament within a reasonable time limit. In certain cases this may be fixed by mutual agreement. The Council has not, as yet, of course, started to deal with the draft for the resolution in question, but I would like to add — as I did in my answer of the 15 September this year to questions from Mr Rogalla and others — that there is reason to warn against having too great expectations for a very speedy discussion in the Council. Experience shows that on the question of the easing of control at internal frontiers, one has to pay heed to so many national customs and interests, stretching from differences in VAT and duties, of varying methods and traditions in the customs services. At the same time I shall again draw attention to the fact that control at the moment is mainly focused on police — and safety regulations, which, among other things, are aimed at combating international terrorism, smuggling of drugs and arms, etc. But the control of persons is also meant to safeguard the compliance with rules and regulations on e.g. VAT, excise duties, health, protection of artistic and cultural treasures, and protection of industrial and commercial proprietary rights. I am sure that one can understand the fact that it takes time to eliminate control in all these areas.

Mr Rogalla (S). — (DE) I should like to ask the President-in-Office of Council if he himself has ever seen statistics showing how seizures in the areas he mentioned — terrorism, drug trade, etc. — are broken down between the external and the internal frontiers? Secondly, I should like to know whether he as a Member of the Danish delegation also intends to hold a discussion of these matters in the near future on the basis of experience in the Nordic Union where things run smoothly?

Mr Ellemann-Jensen. — (DA) I can assure Mr Rogalla that it is in all our interests to get these things working as smoothly as possible. At the moment we are simply waiting to hear from the European Parliament.

Mrs Boot (PPE). — (NL) It is all very well for the President of the Council to say that he is awaiting initiatives from this House but the cross-border traffic in question — yes, that tiny cross-border traffic — was on the agenda of Council — and European Council meetings yesterday or the day before. If it was considered sufficiently important to merit such high-level attention, I should like to have a comment from the President of the Council on the results of such deliberations.

Mr Ellemann-Jensen. — (DA) I take it for granted that you refer to the discussion we have had on the internal market. What has happened so far, is that we have fixed a procedure for the work to take place in the coming months. This means that I can produce no subject matter yet, but some procedures already exist how we, in January, at the next Council meeting, can commence the more substantial work. We shall have to delve into many quite complicated matters.

Sir James Scott-Hopkins (ED). — Would the President-in-Office accept that the more flexible the internal checking arrangements become between the member countries, the more rigorous the external checks at the frontiers of the Community will have to be, and has he any hopes that this will actually take place?

Mr Ellemann-Jensen. — (DA) This is self-evident. I quite agree with your reflection, and especially so at a time when one has to combat international terrorism, arms-smuggling and such like. It is quite correct that we are facing some problems in which it is difficult to find a balance.

Mr Malangré (PPE). — (DE) Does the Council appreciate that Parliament and its committees have continually urged a speedy solution to the problems in question but always receive the same answer to every question, namely a list of outstanding problems, and have never been offered any sign of progress in these matters? Could we at least have the details of the problems which hamper the abolition of internal frontiers? What specific timetable has the Council set itself to solve the individual questions? I only point to the problem of security which the President-in-Office has just mentioned.

What consequences are finally being drawn from this long overdue acknowledgment to find a European solution to the problem of police security?

Mr Ellemann-Jensen. — (DA) I quite agree that this is a point that irritates quite a large number of people, and therefore it concerns all of us to a great degree. But on the other hand I think that it is fair to agree that lately this problem has been inflated in various places. As regards the second half of the question, the question of safety measures, etc., is something that comes within the sphere of national decisions.

Mr Herman (PPE). — (FR) Mr President, since the problem we are talking about is tied up with the problem of frontier formalities, what has happened to the Council's long-awaited decision on the European passport? Has it fallen by the wayside?

Mr Ellemann-Jensen. — (DA) The decision has been made, so it cannot be too long before we have a European passport.

Mr Prout (ED). — Does the President-in-Office not agree that it would be constitutionally improper for the Council to consider a Commission proposal before it has received the European Parliament's opinion on it?

Mr Ellemann-Jensen. — (DA) In fact I said so at the beginning, and therefore we are still waiting to hear from the Parliament.

President. — Question No 64 by Mr Pranchère will be postponed until the January part-session.

Question No 65 by Mr Radoux (H-395/82):

Having regard to the importance of the forthcoming 'Jumbo' Council from the point of view of its impact on public opinion in the present economic and social situation, would the Council assure Parliament that the agenda for this meeting next November will include specific items on the current monetary, economic and social state of affairs, and that arrangements have been made to ensure that governments are represented there at the most appropriate level?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) Quite honestly I must say that I cannot see the purpose of this question at this moment. The Jumbo meeting is over for some time now and both I and the President-in-Office for the Jumbo Council meeting have made our statements on this meeting. We did so on the 17 November here in the Plenary, and on the 24 in the Committee on Economic and Monetary Affairs of the Parliament. As regards representation of the governments at the meeting I must inform you that it was as satisfactory and pleasant as possible. No less than 21 Ministers of State and Secretaries of State, with responsibility for the relevant

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areas, participated in this Council meeting. As regards the debate and the result of the Jumbo meeting I must respectfully refer to my statement to this Parliament on the 17 November.

Mr Radoux (S). — (FR) I am perfectly happy with the answer that has just been given by the President-in-Office.

President. — Question No 66 by Mr Lalor (H-440/82):

As a result of the Community's budget deal with Britain, will the Council confirm that the EEC is to make a rebate of approximately 2.5 million to Ireland and that such a rebate is to be used for roads, factories or energy projects?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) According to the conclusions of the foreign ministers at the meeting on 26 October on compensation to the United Kingdom in 1982, it was agreed that the Community must augment its efforts of solidarity towards poorer Member States, and that the Commission as soon as possible must provide Community actions for the benefit of poorer Member States. The conclusions of the Council have not yet been translated into concrete legal proposals.

Mr Lalor (DEP). — I thank the President-in-Office of the Council for his reply and ask him whether he did actually say that it is a matter for the Commission to make recommendations to him. And if recommendations are indeed made by the Commission in this regard, does that mean that the money which hopefully will be allocated to roads, factories and energy projects will specifically be used for those purposes and cannot be used by the government for the relieving of taxation requirements back home — that the money has to be spent on the roads or the factory development or the energy purposes for which they will be specified? And has the Council any input into the specification or is it left completely to the Commission?

Mr Ellemann-Jensen. — (DA) It is correct that it is up to the Commission to make recommendations, and afterwards it is the Council that decides on the recommendations of the Commission. I cannot say anything on the character of this expenditure until I have seen the recommendations of the Commission, and until we have decided on the recommendations of the Commission.

Mr Welsh (ED). — Would the President-in-Office confirm for the record that the Republic of Ireland in terms of net contribution per capita does better than any other Member State? And would he not further

advise the honourable Member who asked the question that if he wishes to secure the Irish rebate, the best way he can achieve it is by voting for the adoption of the supplementary budget tomorrow and not voting against, as he indicated in his speech yesterday?

Mr Ellemann-Jensen. — (DA) I think it is somewhat primitive to start to work with concepts like net contributions. They have nothing whatsoever to do with those problems we are trying to deal with in Europe.

President. — As the author is not present, Question No 67 will be answered in writing¹.

Question No 68, by Mr C. Jackson (H-528/82):

In its resolution of 11th October on the subject of trade between the European Community and Comecon countries, the European Parliament called for the Commission, in cooperation with Member States, to carry out a strategic survey of trade in terms of trade between the European Community and Comecon countries.

Particularly having regard to the recent discussions with the United States on the subject of such trade, does the Council feel that such a survey would be worthwhile and would they be willing to cooperate in it?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) On the basis of the conclusions drawn up at the Versailles Summit Meeting in June 1982 on the economic relations with the Soviet Union and Eastern Europe — conclusions that the Community has adopted — the Council is, for the time being, reflecting what consequences can arise from the conclusions mentioned. In this connection the Council will take into account the resolution of the European Parliament of the 11th October this year on the relations between the Community and the Eastern European state trading countries. I can add that the trade between the EC and the Eastern countries constitutes approximately 7% of the EC trade with third countries, with regard to both exports and imports.

Mr C. Jackson (ED). — I am grateful for the response we have had. I note that the Council will take account of our resolution, but may I repeat the final bit of the question: will the Council agree to conduct the sort of survey that we have referred to, namely a strategic survey? I particularly have regard here to the leakage through trade of important electronic capabilities, in particular to the Soviet Union. That is the sort of strategic survey that we want, and will the Council agree to consider that?

¹ See Annex.

Mr Ellemann-Jensen. — (DA) As mentioned no final decision has yet been made with regard to these issues. They are under consideration, but it is quite clear that part of what is being referred to falls under other cooperation mechanisms, namely the COCOM, and as you know considerations will also take place on these in the coming year.

President. — Question No 69, by Mr Boyes (H-526/82):

Many people are being made redundant due to the introduction of new technology. Has the Council instructed the Commission to prepare proposals for special redundancy payments for workers made redundant as a result of the introduction of new technology into their work places?

Mr Ellemann-Jensen, President-in-Office of the Council. — (DA) The Council has received a communication from the Commission on new Community initiatives in the period 1983-1987 concerning vocational training and new technology. In connection with this communication there is a proposal for a Council resolution on a number of arrangements for vocational training in connection with the introduction of new technology. On the 10 December at the meeting between the ministers for employment and social affairs, discussions took place with regard to those problems which were mentioned in the communication as well as with regard to those actions at a national level. As the European Parliament has not yet delivered its opinion on the proposal, that which took place in the Council was only a preliminary discussion. Furthermore the Council has not received from the Commission any proposal regarding special redundancy payments for workers made redundant as a result of the introduction of new technology into their work places. Neither has a discussion taken place in the Council on the desirability of asking the Commission to come forward with such a proposal.

Mr Boyes (S). — I would ask the President-in-Office if he realizes that there are approaching 15 million people unemployed in the Community as a whole. I am not suggesting that all, but certainly a large number of them, are made jobless by new technology. One of the problems, Mr President, is that in a number of countries some people are made unemployed in one industry and they get some form of payment from the Community, for example, in the steel industry, whilst in other industries they are made redundant, and they could be neighbours of a steel worker, and yet they do not get any money.

Because of the massive social consequences of unemployment and because of the lack of understanding between one group and another and because the Commission has just issued a press communiqué saying that you have no proposals for new redundancy plans in

the near future, do you not think that it is your duty as an elected representative not only to represent the workers but also those out of work and that therefore you ought to be requesting as a matter of urgency a comprehensive redundancy plan for all people made unemployed, especially through new technology?

Mr Ellemann-Jensen. — (DA) I would think, that what we are talking about here is to a very high degree something that has to happen through national actions; of course we can agree on the fact that if we look at the individual enterprise, there will be people there who are directly made redundant through new technology. But I must point out that if we look at each society as a whole, then in the long run new technology does not create unemployment, but employment. What we are facing — as mentioned earlier today — is in fact structural problems. One must try and relieve those by national legislation, adapted to national characteristics; but it is a misunderstanding to believe that it is new technology that creates unemployment. This is not so. What creates unemployment in the long run, Mr Boyes, is the rejection of the new technology.

Mr Marshall (ED). — Would the President-in-Office of the Council confirm that the world economy with the lowest level of unemployment is the Japanese, which also has the highest level of investment in new technology, and would that not tend to confirm his statement that new technology creates employment rather than unemployment?

And in seeking a use for new technology, would the President-in-Office of the Council consider giving Mr Boyes a calculating machine so that his sums can be correct and a machine to make his speeches into crisp supplementary questions rather than long, winding, meandering speeches?

Mr Ellemann-Jensen. — (DA) No, I would rather try to convince Mr Boyes in a friendly and pedagogical way that what I am saying is true. I can of course use Japan as an example, but I can find other countries which have lower unemployment rates than Japan over a number of years. For instance countries whose industries have received heavy state subsidies. Amongst those we can find countries who can no longer maintain their low unemployment figures because they have been overtaken by development, in so far as they have refused and rejected new technology in an attempt to keep jobs in old industries which have become outdated. As I have already mentioned, I feel indebted to Adam Smith, but even if one tries to be liberal in a modern way, one will reach the same conclusions, namely that unemployment is in fact created by rejecting new ideas, and by 'disinventing' things rather than inventing them.

Mrs Tove Nielsen. — (DA) In my supplementary questions I allow myself to add, that it makes me wonder a little, that Mr Boyes — who like myself is a member of the Committee on Social Affairs and Employment — does not know at all that during these months we are working on the report on vocational training and new technology which the President-in-Office has mentioned. My supplementary question is if it is not the opinion of the President-in-Office, that we in the European countries are not so well endowed with resources in the field of qualifications with regard to re-education and post-education of our citizens that we — if in fact there is will and political attitude — are able to meet those challenges that are embedded in new technology in such a way that we can succeed not only in the internal market but also can compete at the highest level in the great world market?

Mr Ellemann-Jensen. — (DA) I agree completely that the problem consists of showing courage to meet the challenge, and that it is not a question — as I heard someone shout — of making computers. It is a question of using new technology. Do remember, Mr Boyes, what happened in those days when the banks introduced electronic data processing. Then everyone said: now we will all be unemployed, because now there is no longer work for those who used to clip coupons and do calculations and what ever else there was to be taken over by machines. What happened? The employment in the relevant sector was multiplied because it became feasible to tackle quite new tasks that up until then one had no idea could be solved. It is a question then of courage and imagination, and I agree fully with Mrs Tove Nielsen, that if we in Western Europe are not particularly capable of showing courage and imagination, then we have not got a chance.

(Interruption from Mr Boyes)

Mr Van Minnen (S). — (NL) I haven't got a calculating machine to hand to enable me to verify the figures the Council President is putting forward, but just let me get this straight. Would I be correct in summarizing his remarks as follows: 'The more modern technology one introduces to the Member States' economies, along neo-liberal free market lines, the less unemployment you have at the end of the day'? Is this the fairy tale that he is trying out on us?

Mr Ellemann-Jensen. — (DA) I think this is a very theoretical question. Let us agree that if we in our part of the world reject new technology there will be other parts of the world where it will be accepted. Earlier on I was playing a little with words by saying that one cannot 'disinvent things', one can only invent them. I do apologise to the interpreters, because it is almost impossible to interpret this. But this is what the situation is like. With our democratic, political, free, and open system, which we cherish for many reasons, we

cannot start to create a barrier around ourselves and say that we will not accept that this and the other has been invented, that this and the other new technology has been created. Our sole possibility is to be cleverer in using them than anyone else. If we reject them, then unemployment will really begin in earnest, and let us now refrain from accusing one another of not having any feeling for or understandings of unemployment. I think that this problem is so serious that instead of attributing wrong motives to one another, then, together, we ought to try and find out if there is a solution. And one solution I believe, is a more realistic understanding of the way in which this world of ours is, in fact, composed. It is not a question of being cold and insensitive. It is a form of sensitivity towards those immense human problems we all perceive and would like to do something about.

(Mr Boyes asked for the floor)

President. — Mr Boyes, at the moment the President has the floor. I am quite certain of his patience and understanding of the problems, so you might like to have a discussion with him after the sitting, is over if he has time, but not during the sitting. I am sorry, you do not have the floor now, Mr Boyes.

Mr Galland (L). — (FR) In view of where I sit in this House, I suppose I cannot be suspected of not being liberal and therefore of not refusing the new technologies.

I am rarely in agreement with Mr Boyes — but he does not object to the new technologies in his question either. He asked a question about possible allowances. You speak, Mr President, of courage and imagination, certainly, but it seems to me that, in an economic situation where technology has to be applied and where it is bound to have an effect on employment, we have an example of the Keynesian theory in reverse — investment always determines growth, but with the phenomenon of technology, it may in fact reduce the number of jobs. So I think we need to anticipate.

Mr President-in-Office, you gave the example of Japan. At the moment, the Japanese have outline studies anticipating the effects of technology, even going as far as a working week of only 12 hours. Has the Council run any anticipatory studies for a Community where, with the effects of technology, people right across the EEC could be working a 35-hour or even a 30-hour week? Are studies of this kind being run in the Council or the Commission?

Mr Ellemann-Jensen. — (DA) These are studies that are undertaken constantly. But, as I said at the beginning, this is something that to a large extent must be based on national actions. One reason is that traditions vary very much as to whether decisions are made by the labour market or whether they are made at state

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level. But I think that we agree that of course we do need transitional social arrangements in this area in order to facilitate the transformation between the single sectors. Of course we need such social arrangements, and quite rightly this was the starting point of this question. I am sure we do not disagree on that. But on the other hand I do think that for reasons I have already mentioned, what is needed to a very large degree is national actions.

President. — We turn now to the questions addressed to the Foreign Ministers.

Question No 81 by Mrs Ewing (H-294/82):

In view of the fact that out of 12 key votes on apartheid at the UN in 1979 and 1980, the Nine voted together only once, were split in two directions on seven occasions, and in three directions on four occasions, what new steps are the Foreign Ministers planning to take to put an end to this disunity?

Mr Ellemann-Jensen, President-in-Office of the Council of Foreign Ministers. — (DA) To Mrs Ewing's question I can quite briefly answer that the Ten will continue their endeavours to amalgamate their votes at the UN on resolutions governing apartheid.

Mrs Ewing (DEP). — Will the President-in-Office put this specific question to the next meeting of Foreign Ministers meeting in political cooperation, so that when I come to put my question down again for the next presidency I can get an answer that will demonstrate to this House that the Foreign Ministers refuse to accept the hated policy of apartheid?

Mr Ellemann-Jensen. — (DA) This is a question that is debated currently. I can say that the common policy of the Ten towards South Africa has been expressed in particular in the communal speeches that have been given at the General Assembly of the UN during the debate on the apartheid question and also in the common explanations of the vote. On these occasions the Ten have repeated their quite unequivocal condemnation of South Africa's apartheid policy. They have reaffirmed that they will continue a critical dialogue with South Africa to further peaceful changes, and that, continuously, they will use the total weight of the European Communities in order to influence South Africa to unwind the apartheid system and to establish a society with freedom and justice for everyone. In the speeches I have mentioned here, the Ten have furthermore explained their attitude on a number of concrete elements in the apartheid policy. So this is something which is currently taking up quite a lot of time.

Mr Boyes (S). — At long last I think I heard a few words there in condemnation of apartheid that the

Minister and I can agree on. However, one of the things that the Ten disagreed on was the international year for mobilization of sanctions against South Africa, primarily aimed, of course, at the military aspect of operations in that country.

Have the Ten been able to reach unity in supporting the United Nations on this particular year at this time? If they have not, will the Minister, even though 1983 will soon be upon us, still be striving to get unity on that matter?

Mr Ellemann-Jensen. — (DA) I can assure Mr Boyes that the Foreign Ministers will continue to strive to have common viewpoints. Already there is basic agreement between the Ten on the general policy towards South Africa. The areas in which we disagree — and we regret that, naturally — that is more concretely for instance as it is reflected in the voting at the UN on these very apartheid resolutions. But in spite of these rather concrete differences, in my opinion, the Ten have already gone a long way in their efforts to harmonize the policies of the single Member States towards South Africa. And I am convinced that this will continue in the coming years. This is exactly what we have been talking about earlier on today. What is characteristic about the political cooperation between the Ten, is that in each area where this common policy emerges it emerges slowly, little by little, through debate, by the fact that all of us in cooperation reach agreement on some issues. It has to take its time. But while there are some areas where the individual feels that progress is too slow, there may be other areas where we can count ourselves happy that it takes time before a common unity is achieved. So let us — I think — rejoice in the positive aspect of the political cooperation between the Ten, which is concerned with issues we have arrived at through cooperation.

Mr Skovmand (CDI). — (DA) I take it for granted that the President-in-Office of the Council of Foreign Ministers is well aware that at the voting Mrs Ewing referred to the fact that a majority was less extensive in its demands against South Africa, whereas a minority, amongst them Denmark, wished for more extensive demands. What the President-in-Office of the Council of Foreign Ministers said, can be interpreted to mean that Denmark, in such a situation, had to bend, as if one had to give in. It seems from a Danish point of view objectionable to support the apartheid policy in South Africa. Does the Foreign Minister wish that we relinquish this belief in order to achieve agreement between the EC countries? And does the Foreign Minister consider it unimportant what one agrees upon between the EC countries?

Mr Ellemann-Jensen. — (DA) Since it is a fellow countryman, I suppose I may respectfully submit that this is an extremely silly question. I have just explained why we have different viewpoints. Now it is quite

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unreasonable to begin to postulate that I should have tried to have the Danish point of view — which has indeed been more extensive — diminished even further. This is a quite inadmissible distortion of the words I have spoken. I am aware of the intention, and it grieves me.

Mr Eisma (NI). — (NL) Does the President of the Council of Foreign Ministers consider that the Community's code of conduct concerning industrial life in South Africa has a role to play in enlarging the extent of unity displayed by the Member States in relation to that country, and, if so, does it feel that there is a need to tighten up the existing code?

Mr Boyes (S). — On a point of order, I regret having to do this, Madam President, but this is the second time that the President-in-Office from this particular country has started an answer to one of my colleagues at the back — it was Mr Bonde last time — by making an insulting remark.

(Interruptions)

No, no, it is I who am doing it. I am not doing it at the request of anybody else, and they are not doing it.

I do not think it is right that in this Chamber the man in that position should start off an answer to any Member with an insulting remark. I would ask you, Madam President, because you are in fact the fairest of all the chairpersons, to tell the President-in-Office that we do not accept such language in this chamber.

President. — Mr Boyes, there is certain language which is parliamentary and certain language which is not parliamentary, and I must confess that I have heard a lot of language in this Parliament which is not parliamentary, and not, if I may say so, from the President-in-Office.

Mr Ellemann-Jensen. — (DA) I quite agree with the questioner that a change, a strengthening of the codex in question would have a positive effect towards achieving a more common attitude to this South African question; but I must add that at the moment no plans exist for such an intensification of the codex.

Mr Schmid (S). — (DE) On a point of order, Madam President, I am not satisfied with the answer you gave. I appreciate that the Foreign Minister is new to this business, when he uses such language here. You said we had heard two different kinds of parliamentary language here, but that is not the point. You as President should point out to the Minister that he is here to give information but not to issue reprimands when Members ask him questions he does not like. That is in the interest of the whole House and you, Madam

President, are duty bound to uphold the dignity of this House. That is what I am asking you.

President. — It is my duty to see that the dignity of this House is protected, but, as I have said earlier, there is parliamentary language which can be used in any parliament and there is certain language which cannot be used in any parliament. I think nobody tonight has exceeded the bounds of this particular level of language.

Mrs Hammerich (EDI). — (DA) With all due respect for kindergarten teachers, would someone please impress on the President-in-Office that he is not here in the capacity of a kindergarten teacher, but in his capacity as President of the Foreign Ministers where he is to give factual answers to factual questions. It is, as far as I know, not parliamentary usage anywhere to cast doubt upon the questioner's intention and intelligence, when a question is asked.

Mr Pöttering (PPE). — (DE) Does Madam President realise that the large majority of those present here do not share the unqualified attacks from Members of this House on the President-in-Office of Council, and explicitly thank him for his answers?

President. — Question No 82 by Mr Moreland (H-476/82):

Do the Foreign Ministers attach considerable value to the maintenance of good relations between Canada and the European Community?

Mr Ellemann-Jensen, President-in-Office of the Council of Foreign Ministers. — (DA) I can answer Mr Moreland's question quite briefly by stating that I can confirm that the Foreign Ministers attach considerable value to the relations between Canada and the EC.

Mr Moreland (ED). — I welcome that answer. I should like to ask the President-in-Office whether he agrees that if he were the prime minister of Canada he might begin to wonder about good relations with the Community if he had a tape of the last Environment Council which discussed the question of the harp seal. Not because of the merits or demerits of the case, but because of the way that it has been discussed and handled. Can we therefore hope that at the meeting on Friday it will be discussed on the basis of facts and as a sober matter, and that ministers will not make public statements afterwards while having made private comments inside that are rather different? This is a serious point, since it affects the jobs of many people in Canada and could lead to certain disagreements, particularly on fisheries.

Mr Ellemann-Jensen. — (DA) I hate to answer this, because the answer will almost inevitably result in a reprimand. But I do hope that the ministers for environment have not expressed themselves in such a manner that might turn our good Canadian friends away from us. The Danish Presidency has constantly endeavoured to maintain the best possible connections with Canada.

Mr Blumenfeld (PPE). — (DE) Does the President-in-Office realise that the test for good relationships between Canada and the European Community is that Canada must accept the Community's solidarity when it comes to very important issues such as the one of seals, just raised by my colleague?

Mr Ellemann-Jensen. — (DA) It is always a question of a tightrope walk between different considerations. That is inevitable. But I would rather not delve any deeper into this problem until the Ministers for the Environment have held their next meeting, next Friday, where the final standing on this matter will be made.

Mr Seligman (ED). — In view of the need to maintain good relations with Canada would the Council ask the Canadian Government to contribute to good relations by ceasing to subsidize their energy prices and bringing them up to world levels, so that they do not compete with us in fishing and other areas on an unfair basis.

Mr Ellemann-Jensen. — (DA) With due respect, I think that maybe this question falls a little outside what we are talking about here in the European Political cooperation, so please allow me to sidle around it by making this reference.

President. — Perhaps, Mr Seligman, you could put this down in another question for the next part-session.

We now come to question No 83 by Mr Aigner, (H-479/82) which has been taken over by Mr Habsburg:

Are the Foreign Ministers meeting in Political Cooperation aware of the fact that reports that a considerable proportion of the Community's money for Namibia is reaching the Soviet-controlled SWAPO are justifiably arousing public concern in the EEC?

Mr Ellemann-Jensen, President-in-Office of the Council of Foreign Ministers. — (DA) The question is about Namibia, and I can inform you that the Foreign Ministers of the Ten in Political Cooperation have not yet discussed this question. Because of South Africa's continuing occupation of Namibia no direct Community

aid is granted directly to Namibia. However, the European Community has various possibilities of indirectly channeling aid to the people of Namibia, for strictly humanitarian purposes. As to the size, the distribution and the use of aid, I shall draw the attention of our honourable member to the answers which Mr Pisani, on behalf of the Commission, has given to Written Question No 652 by Mr Brok on aid to SWAPO, and to Written Question No 1028 by Mr Blumenfeld a.o. on aid to Namibia.

Mr Habsburg (PPE). — (DE) Mr President, do you recognise that in practical terms there is no occupation of Namibia — Namibia has a freely elected government — and that the current presence of foreign troops on Namibian territory is particularly due to the Cuban presence in Angola and the constant aggression from across the border, so that the first condition is the stopping of these attacks and the situation would then probably be resolved relatively quickly?

Mr Ellemann-Jensen. — (DA) I do not agree with our honourable questioner. Quite clearly there exists an illegal occupation of Namibia.

Mr Moreland (ED). — Is the Foreign Minister not aware of the fact that, although many of us support humanitarian aid to the people of Namibia and indeed are highly critical of the handling of the situation by the South African Government, we deplore the fact that certain aid is going to organizations, like one in Zambia, for the training of SWAPO guerrillas? This is a danger to the security of the area and must be a concern of the Foreign Ministers.

Mr Ellemann-Jensen. — (DA) I have to inform the honourable questioner that so far the Community has provided aid in the following areas. Firstly with regard to emergency aid, the Community has provided a total of 400 000 units of account to persons now in Angola, driven away from their homes, a number of whom are believed to have fled from Namibia. In the Autumn of 1982 it was made possible over the budget to contribute to the emergency work which is being carried out in, amongst other places, Angola; here the Community contribution amounted to 5 million units of account, and part of that was used to help refugees from Namibia. The second area is food aid. Approximately half of the food aid which the Community provides to Angola in 1982 will be used to help refugees and people driven away from their homes, who, at the present time are in Angola, and of those people quite a few originate from Namibia. The third area where the EC provides aid is what is called aid for work done by non-governmental organizations. Here the Community has provided aid in the period 1976-1981 to the British Catholic Institute for International Relations for help towards information materials for Namibian refugees in several countries in Southern

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Africa, and also to *Deutsche Welthungerhilfe* as help towards the construction of a kindergarten. The amounts in question have been rather modest, 50 000 and approximately 6 000 units of account respectively. I do not think that this is aid of the kind that was intended in the supplementary question.

Mr Blumenfeld (PPE). — (DE) As the President-in-Office referred in his answer to question No 83 to a written question which I and a number of colleagues put to the Council some six months ago, may I ask him whether he believes that the Community finance given to a foundation in Namibia which is under the control of the SWAPO treasurer — the sum involved is 10 million ECU — has now actually reached the Namibian people to support certain linguistic and other cultural projects? My impression is that the Council has so far not given serious thought to its answers.

Mr Ellemann-Jensen. — (DA) I do not recognize the amount mentioned by Mr Blumenfeld. I do not know from where this amount stems, but I must make it clear that a proper control of funds exists. If there is any doubt about this, I think that Mr Blumenfeld should contact the Commission. This is where this control is exercised.

President. — Question No 84 by Mr Seligman (H-510/82):

Can the Ministers say what can be done to hasten the release of the 1200 Ethiopian political prisoners — men, women and children who were related to the former Emperor Haile Selassie — who have been held for nine years in Addis Abbaba without trial?

Mr Ellemann-Jensen, President-in-Office of the Council of Foreign Ministers. — (DA) The Ten have repeatedly expressed their opposition to the infringement of human rights where ever it may take place. The Ten meeting in Political Cooperation have, with concern, followed the reports on infringements of human rights in Ethiopia, and individual Member States have tried to influence the Ethiopian government with a view to safeguarding human rights. The Ten will continue this procedure. The Ten have noted that on the 6 and 11 September 1981 and on the 11 September 1982 Ethiopia released respectively 474 and 716 prisoners, including political prisoners. And the Ten hope that this development will continue.

Mr Seligman (ED). — The President is quite right that a number have been released, but many of the Royal family are still imprisoned, including children and women who have been there for nine years without trial, and this is undoubtedly a breach of generally

accepted human rights. I feel the President should not accept the excuse that they are being held there for their own security. This is a standard excuse and is obviously unreal, because if these people were released to Europe or to Britain they would be perfectly safe. So I hope he will maintain the pressure on the government of Ethiopia to release these poor people.

Mr Ellemann-Jensen. — (DA) I agree with Mr Seligman that pressure must be maintained. Unfortunately it has not been possible to identify the prisoners that were released in September. There seems to have been Ministers from Emperor Haile Selassie's former government amongst those that were released, but no members of the Imperial family.

President. — Question No 85 by Mr Israël (H-428/82):

Have the Foreign Ministers pointed out to the French Minister for Foreign Relations the great importance which the European Parliament, being composed of the directly elected representatives of the peoples of Europe, would have attached to hearing the President of the French Republic expound his views on the international protection of human rights?

Mr Ellemann-Jensen, President-in-Office of the Council of Foreign Ministers. — (DA) The choice of forum for presenting national viewpoints, e.g. when it concerns the international protection of human rights is solely the affair of the single Member State, and thus not subject to debate amongst the Ten's Foreign Ministers within the framework of European Political Cooperation.

Mr Israël (DEP). — (FR) Do you not fear that this House acted as a repellent and that is why we have not had the honour of hearing the representative of France talk about the international protection of human rights?

Mr Ellemann-Jensen. — (DA) I must refer you to the French President.

Mr Bonde (CDI). — (DA) If the occasion should arise, can the Foreign Minister give assurances that such a possible inclusion of otherwise excellent human rights be implemented as a proposal for an amendment to the Treaty?

Mr Ellemann-Jensen. — (DA) I don't quite understand the question. But I presume we can agree that if it is about the extension of human rights, we will have to make it work in some way or another, regardless of how many sore toes we may step on in the process.

President. — Question Time is closed.¹

I would just like, from the chair, to thank the Foreign Minister at the end of his six-month term of office for the courteous and extremely friendly and informative way in which he has answered the questions put to him

during these six months. He has our gratitude. Thank you very much indeed.

(Applause — The sitting was closed at 7 p.m.).¹

¹ See Annex.

¹ Agenda for next sitting: see Minutes.

ANNEX

1. *Questions to the Commission**Question No 8 by Mr Petersen (H-454/82)*

Subject: Nuclear power stations

Is the Commission aware that the Oak Ridge National Laboratory in the United States has compiled a report for the US Nuclear Regulatory Commission which concludes that the risk of serious accidents in American nuclear power stations is one major accident per 1 000 reactor years and not, as officially accepted up to now, one major accident per 20 000 reactor years?

How does the Commission judge the relevance of this report to nuclear power policy in the Community, and is the Commission prepared to allow an independent research body, perhaps the Oak Ridge National Laboratory to conduct a similar examination of the risks associated with nuclear power stations in the Community?

Answer

1. The Commission was informed that the report to which the Member refers in his question was being drafted. This report which is to be published in the near future is also available to the Commission.

2. The report is based on an evaluation of the accidents in the USA between 1969 and 1979. It does not take into consideration the improvements in nuclear power stations which have been made especially since the Three-Mile-Island accident. It should be noted here that the Oak Ridge National Laboratory intends in a second stage to analyse the accidents of the last few years.

3. The services of the Commission have not been able so far to analyse this report in detail; after a preliminary analysis and initial contacts with external experts it appears wise, however, to have certain reservations about the methodology which was used in the report to calculate on the basis of reliable data the probability of a serious accident.

4. Finally it must be noted that an accident of the kind taken as the basis for this report (severe damage to the core of the reactor) does not necessarily produce radiological effects on workers or the surrounding population (the primary circuit is housed in a tightly sealed pressure container).

5. The Commission believes that the report should be regarded and evaluated as part of a series of studies which use methods of probability calculation.

These studies are undoubtedly to be taken seriously; in view of their differing results and the uncertainty factor in transmitting results, however, such studies should be included in the decision process with the greatest caution.

Without commenting on the advisability of conducting a similar study in Europe, we wish to point out that it is intended to develop the methodology of probability calculation and conduct individual studies on the basis of the European Reliability Data System which is being established in the research institute at Ispra of the Joint Research Centre.

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Question No 10 by Mr Israël (H-464/82)

Subject: Aid to the Afghan refugees in Pakistan

In the chapter headed 'Afghan refugees in Pakistan' of its communication to the Council of 4 June 1982 (COM(82) 354 final), the Commission takes the view that it would be

appropriate to supply the Afghan refugees with emergency aid of 10 million ECU. In its resolution on the situation in Afghanistan, adopted at the June 1982 part-session, the European Parliament called on the Commission to step up its aid to the Afghan refugees. Does the Commission consider that the action referred to in the above-mentioned document fully complies with Parliament's request?

Answer

The Commission considers that the aid the Community has granted to Afghan refugees in Pakistan is quite in accordance with, in particular, the European Parliament's wish as expressed in its resolution of last June. This aid includes, in addition to the emergency aid of 10 000 000 ECU mentioned by the Honorable Member, food aid, in the form of cereals, milk powder, butteroil and sugar, worth about 14 000 000 ECU. This is 24 000 000 ECU-worth in all, a considerable increase over the 22 500 000 ECU of 1981 and the 14 000 000 ECU of 1980.

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Question No 11 by Mr Deniau (H-468/82)

Subject: Development of food aid policy

Does the Commission consider that food aid should be increased or, on the contrary, discouraged, and has it any plans for a programme of substitute measures?

Answer

As it has already had the opportunity to point out, the Commission is now looking into all the problems connected with Community food aid. An assessment report by an outside body has been transmitted to Parliament. The action plan against world hunger of October 1981 and the recent Commission memorandum on Community development policy — two documents which Parliament has received — lay down important guidelines, particularly as far as food strategies are concerned. The Commission has undertaken to draw up concrete proposals as basis for a thoroughgoing debate on the subject when the time comes.

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Question No 18 by Mr Franchère (H-394/82)

Subject: Reduction of the increase in agricultural production costs

Farmers in countries with a high rate of inflation are facing substantial increases in their production costs. The European Parliament took this unfavourable situation into account in its resolution on agricultural prices for 1982-1983 which called on the Commission 'to propose supplementary measures enabling the increase in production costs to be reduced in countries with a high rate of inflation'. Will the Commission propose measures corresponding to this objective?

Answer

The Commission believes that the latest decisions on prices and related measures, for the 1982/83 marketing year, take sufficient account of the problem caused by the marked increase in production costs in Member States with high inflation rates.

Firstly, farmers in those Member States received an increase in common prices expressed in national currency which is well above the Community average and, generally speaking, very close to their rate of inflation.

Secondly, special measures were adopted for some Member States with high inflation rates, namely, Ireland and Greece. These included the introduction of the calf premium already paid in Italy. In addition, for Greece, the prices of several agricultural products were aligned immediately on the common prices, even before the planned date.

The Commission feels that all these decisions, in so far as they contribute to raising the prices actually received by farmers, constitute a reasonable response to the concern expressed in this House and by the Honourable Member.

It therefore believes that there is no need at present to propose additional measures aimed at curbing the increase in production costs in countries with high inflation rates. The upward movement of production costs, moreover, is now much slower than in mid-1981.

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Question No 19 by Mr Kirk (H-452/82)

Subject: Violation of Articles 30-36 of the EEC Treaty

Whereas the EEC countries in general have regulations governing which colouring substances are permitted in foodstuffs, only Greece has regulations on the quantity of colouring substances and the percentage of water in caviar substitute. These regulations are impossible to comply with in the production of lumpfish caviar, the result being that this product — which is sold in all other EEC countries — is barred from the Greek market as long as the regulations are observed.

Does the Commission agree that these regulations are contrary to Articles 30-36 of the EEC Treaty and, if so, will it take steps to ensure that the Greek Government removes this barrier to trade?

Answer

The Commission recently received complaints about the regulations in force in Greece on the maximum permissible quantity of water and colouring substances in caviar substitute.

The Commission then approached the Greek authorities to point out various aspects of the regulation which could present a problem in view of its compatibility with the Community law. No reply has been received so far from the Greek authorities.

If it should emerge that the regulations in question are incompatible with Community law, then the Commission will take the necessary steps to ensure that the rules of the EEC Treaty are enforced.

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Question No 20, by Mr Basil de Ferranti (H-457/82)

Subject: Improving the quality of television broadcasts transmitted via satellites

Television pictures will soon be transmitted from satellites directly to the home in all European countries. In view of the importance of picture quality to the viewer and the benefits that a common standard would bring, would the Commission now state its view on the Multiplex Analogue Component (MAC) system which has greater potential for

future improvements than PAL and SECAM and which is currently being considered by the European Broadcasting Union and is the Commission preparing a proposal to the Council to ensure both better quality and standardization?

Answer

The Commission has not so far interfered in the choices open to Member States on standards and technical means of broadcasting. It does not think it opportune at the moment to do so. These matters are normally dealt with in the relevant international specialist organisations, such as the International Telecommunications Union and the European Broadcasting Union.

However, there is no reason to preclude any possibly action from the Commission at a later date. That would mean, however, the Member States showing a greater desire for convergence and the interested bodies expressing their interest in a Community action.

Nonetheless, the Commission fully appreciates the potential advantages of a uniform system as this would help to encourage free trade in goods, reduce costs and improve the quality of equipment.

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Question No 23, by Mr Mc Cartin (H-495/82)

Subject: Regional Fund

How does the Commission ensure that a proportionally greater level of funds from the Regional Funds reaches those areas within each Member States suffering from relatively greater disadvantage?

Answer

1. EEC Regulation No 725/75 of the Council of 18 March 1975, as amended by EEC Regulations Nos 214/79 and 3325/80, provides (Article 3(1, 2)) for priority, when funds are being allocated from the Regional Fund, to go to local investments in the priority areas at national level. This provision enables the Commission to choose from among the applications made by the Member States in the light of the needs from the point of view of regional development.

2. In the Commission's new guidelines for regional development policy adopted on 24 July 1981, the concentration of assistance from the Regional Fund (sub-quota) was mentioned as being one of the priority objectives. This is why, in the proposals it made in October 1981 on revising the ERDF regulation¹, the Commission proposed (Article 4) to restrict assistance from the Fund to regions which posed the most serious problems from the Community point of view.

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Question No 24 by Mr De Gucht (H-504/82)

Subject: Belgian T-zones

Is the Commission aware of the plans of the Belgian Government — and possibly the Dutch Government as well — to establish a number of 'T-zones' in which goods may be

¹ COM(81) 589 final of 26. 10. 1981.

manufactured exempt from the tax rates obtaining in those countries and from the normally applicable business establishment procedures, and if so, does it intend to give its approval to these projects?

Answer

The Commission has received official notification of the Belgian proposals to create employment zones with certain fiscal advantages and simplification of administrative procedures. The Commission is currently studying these proposals but it is too early for it to give a final decision. The Commission has not been informed of any similar Dutch plans.

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Question No 25 by Mr Bonaccini (H-506/82)

Subject: The civil electronics industry

The civil electronics industry in Italy has for some time now been in a state of crisis, witness the closure of factories, mass redundancies, production cuts and the pruning of company organizational structures. Because of their multinational status, enterprises such as AEG-Telefunken; Grundig and Philips have been particularly hard hit. Is the Commission watching this situation, how does it view it, what is its attitude to the activities of the multinationals and what anti-crisis measures and contingency plans does it intend to propose?

Answer

1. The Commission is aware of the general deceleration of economic activity, which is also affecting the civil electronics sector. However, the Commission does not consider that Italy's situation is noticeably different from that of the other Member States or that the firms listed by the Honorable Member are the main cause of the problems facing the civil electronics sector in Italy. The Commission has no reason to believe that the investment and employment policies of the firms are discriminatory towards their Italian subsidiaries.

2. The initiatives planned or implemented and schemes by the Commission as part of the Community's industrial strategy with a view to countering the effects of the general deceleration of economic activity and, in particular, to re-establish the competitiveness of industry and create fresh possibilities of employment include:

- the promotion of productive investments (see COM(82) 641 of 14. 10. 1982);
- the strengthening of the internal market;
- the stimulation of the scientific and technological potential of the Community;
- the increase of that part of the Community's financial resources which is intended to encourage innovation in new technology (see (COM(82) of 15. 10. 1982);
- the European Strategic Programme of Research in Information Technology — ESPRIT (see COM(82) 287 and 486).

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Question No 28 by Mr Cecovini (H-525/82)

Subject: GATT Summit in Geneva

Can the Commission indicate what prospects lie before the GATT summit meeting which opens in Geneva at the end of the month and, in particular, what strategy it is proposed to

adopt *vis-à-vis* the US proposal that a distinction be made, in terms of the aid granted, between the most backward Third World countries and those which have made some economic progress in recent year?

Answer

1. The ministerial meeting of the Contracting Parties of GATT ended on 20 November 1982. The Conference adopted a final document covering all the present trade problems, which includes a political declaration as well as certain general commitments and an operational work programme for GATT in the eighties.

The formal accession of the ministers to the final document was accompanied by interpretational reservations and/or comments on certain points disputed by various participants. Australia, for its part, entirely dissociated itself from the document. The EEC and a number of other industrialized countries refused to be involved in a ministerial declaration that included fresh commitments not covered by the Tokyo Round and went beyond the intentions and genuine possibilities of action of the governments. It had a formal record made of its views on the political commitments against protectionism, agriculture, the settlement of disputes, quantitative restrictions and other non-tariff measures and on the study of fish and fish products.

The difficulties encountered in the formulation of the final conclusions of the Conference were no doubt due to the gravity of the general economic situation and the serious problems currently to be faced in international trade relations and to the participants' varying views of the origin of the problems and the way they should be solved.

2. As far as the developing countries are concerned, the idea of fresh tariff negotiations with the most advanced of them was put forward by the Member States, supported by Switzerland.

The aim of these negotiations was to grant these countries maintenance of the advantages in the generalized system of preferences — at special rates of duty less favourable than those for other beneficiaries — in exchange for acceptance by the countries concerned of measures to free their imports and reduce and consolidate customs duties.

In view of the firm opposition to this proposal, the question is only mentioned covertly in the document.

(Although the second part of Mr Cecovini's question deals with financial aid to the developing countries, the question is one which is outside GATT's scope.)

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Question No 29 by Mr Alavanos (H-524/82)

Subject: Protective measures in respect of textile imports

In 1981, the first year of Greece's membership of the EEC, there was a tremendous rise in textile imports entering Greece, chiefly from the EEC and countries with special preferential agreements with the Community, which has had a critical impact on the textile industry in Greece. (Cotton fabrics: 1980 imports totalled 2 820 tonnes and in 1981 rose to 4 662; yarns totalled 501 tonnes in 1980, increasing to 1 993 in 1981; knitted goods totalled 760 tonnes in 1980, rising to 4 174 in 1981.)

Since textiles is one of the traditional sectors of the Greek economy, employing thousands of workers and providing a source of income for thousands of cotton-growers, what measures does the Commission propose to take and is it at least considering the possibility of taking 'protective measures' to restrict textile imports entering Greece, seeing that the situation will get still worse as a result of the new multifibre arrangement within GATT?

Answer

1. The Commission is aware of the serious problems in the textile sector in the Member States of the Community. In order to structure trade, the Community has introduced a coherent textiles policy, one of the aims of which is to palliate the negative effects of imports from countries where production costs are low. It was with this in mind that the Community negotiated a whole series of bilateral agreements with various textile producers within the framework of the Multifibre Arrangement. Outside the Arrangement, the Community has negotiated administrative arrangements with the producers of sensitive textile products in the countries whose access to the Community market is, generally speaking, preferential. These arrangements involve limiting textile exports (all sensitive products) to a figure fixed by joint agreement at Community or regional level. Greece, as a Member of the Community, enjoys the full benefit of these arrangements.
2. It is up to the Member States to ask for safeguard measures against imports from preferential countries where the economic situation warrants recourse to the safeguard clauses. The Commission examines any such requests in close consultation with the Member States.
3. Lastly, Greece's imports from other Member States of the Community are of course covered by the provisions of the Treaty as far as the free circulation of goods is concerned. Indirect imports may be subject to measures in accordance with Article 115 (EEC).

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Question No 31 by Mr Ephremidis (H-540/82)

Subject: Greek wheat exports

The premiums which the EEC gives in respect of wheat exports to third countries do not benefit Greece at all since the Greek export period commences in September, whereas the premiums are given in November/December and therefore benefit only the big wheat-exporting countries of the EEC.

Thus, this year, given the low level of world prices, not a single kilo of wheat has been exported from Greece, in contrast with 1981 (September) when 300 000 tonnes had been exported. Furthermore, violating yet again the principle of Community preference, the EEC imports 800 000 tonnes of durum wheat from third countries every year, yet does not take a single kilo from Greece.

What immediate measures does the Commission propose to take in respect of Greek wheat exports since disaster threatens, also having regard to the lack of storage facilities?

Answer

The Commission considers that the description of the Community wheat market and Greece's export possibilities does not correspond to reality.

Certainly, Greece produces a surplus of common wheat, but so do other Member States of the Community. The granting of export refunds for common wheat is something from which all Member States may benefit. Granting of the first batch of refunds for 1982-83 began on 1 July 1982.

For durum wheat, a product for which Greece is the only country in the Community with a surplus, the Commission has introduced special intervention measures in the shape of refund on exports from Greece for 150 000 t.

The result of such measures nevertheless depends on the way the Member State in question avails itself of the possibilities offered.

The present shortage of possibilities of selling cereals on the internal market must be attributed to both the price situation on the Community market and the inward processing traffic which favours the use of wheat from third countries.

The Commission has thus done its utmost within the framework of the possibilities offered by the regulations with a view to favouring the sale of surplus Greek wheat.

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Question No 32 by Mr Adamou (H-544/82)

Subject: Shortage of storage facilities

The storage problem for this year's crop of maize is even more acute than in any previous year. This is due to the fact that the storage facilities available to the Union of Agricultural Cooperatives and the Government have an approximate capacity of 1 100 000 tonnes, 80% of which, however, is occupied by common and durum wheat from the 1981/1982 crops. Therefore the storage space available today represents a capacity of 80 to 100 thousand tonnes, whereas this year's production of maize is estimated to exceed 1 400 000 tonnes.

What measures does the Commission propose to take to prevent the fruits of Greek farmer's labour being destroyed, and so that the Greek State suffers no prejudice?

Answer

Regulation No 355/77 of the Council provides for the EAGGF to contribute to the expenditure involved in improving and rationalizing the conditions of processing and marketing agricultural products from the Community.

In order to do this, the Member State in question presents the Commission with sectoral programmes on one or more agricultural products.

The first Greek sectoral programmes adopted by the Commission include one on creating new storage and drying facilities for cereals in Greece.

The investments covered in this programme include the creation, by 1984, of a further 1 million t storage capacity for cereals with a view to catering for the anticipated increase in cereal production.

The Commission has the pleasure of informing the Honorable Member that, up to the end of 1982, the Fund had contributed to the financing of eight investment projects in the sector in question, corresponding to an increase in storage capacity of about 600 000 t.

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Question No 34, by Mr Clinton (H-549/82)

Subject: Egg and poultry meat supplies

As the Commission is aware, there is a surplus production of eggs in the Community and export of surpluses in inter-Community trade may lead to dumping and serious consequences for producers.

In order to overcome the problem would the Commission consider introducing provisions requiring exporters (in inter-Community trade) to sell at a price not below the cost of production in the importing Member State and will the Commission consider introducing similar measures for poultry meat where a similar problem exists?

Answer

The creation of the common market comprising agricultural products implies the free circulation of goods between the Member States, prohibiting import or export duties as well as quantitative restrictions, and measures of equivalent effect, between them.

Regarding eggs, it must be emphasized that the common organization for the market in eggs (Regulation (EEC) No 2771/75 of the Council of 29. 10. 1975, OJ L 28, 1. 11. 1975, p. 49) does not include any rules directly influencing the demand/supply mechanism and price formation. Thus it is essentially the free play of market forces which determines price levels. In particular, the market organization does not provide for the fixing of prices in intra-Community trade, but only protects the EEC-market against imports from third countries by means of sluicgate prices and variable levies.

The Commission does not intend to propose an extension of this system to intra-Community trade. This would not only be contrary to the basic principles of the common market, but would, without doubt, already in the short term lead to 'national' over-supply and price deterioration, as a result of the specific production and market conditions of the egg sector. The same reasoning applies to poultry meat, where production might even more rapidly be expanded.

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Question No 35 by Mr Bournias (H-550/82)

Subject: Centre of friendship amongst the Peoples and the Promotion of Studies on the Resistance against Fascism at Anoyia, Crete

In his recent letter to the President of the Commission, Mr G. Thorn, and to other leading figures in the Community and the Greek Government, the mayor of Anoyia on the island of Crete requests implementation of the resolution adopted by the European Parliament last May to the effect that a Centre of Friendship amongst the Peoples and the Promotion of Studies on the Resistance against Fascism be established at Anoyia, Crete.

As this request from the heroic village of Anoyia, Crete, merits our wholehearted support, how does the Commission intend to deal with the above matter, which will reflect honour on the European Community?

Answer

The Commission fully shares the interest the Honourable Member has expressed in the idea involved in the initiative to which he refers. It can but agree with the political, scientific and humanitarian motives behind the Resolution adopted by the European Parliament.

Nevertheless, in addition to the question of knowing whether the creation of such a centre is within the Community's scope, there remains the fact that the budgetary constraints on the Commission and the priorities it has to meet prevent it from contemplating material support for the initiative in question.

Once the Centre has been set up, the Commission reserves the right to re-examine any request it receives in the light of the status and the programme of activities of the Centre and their conformity with the aims of the Community.

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Question No 39 by Mr Bettiza (H-559/82)

Subject: Implementation of the agreement between the Community and Yugoslavia

The restrictions recently imposed by the Yugoslav Government, introducing an expatriation tax on Yugoslavs going abroad, conflict with the Italian/Yugoslav agreements governing minor frontier traffic and the movement of persons which were signed in Udine on 31 October 1962 and renewed at the beginning of this year.

Since this agreement was included as Annex IV to the EEC-Yugoslavia Cooperation Agreement, what does the Commission intend to do to reduce the economic difficulties of the regions concerned and persons living in the frontier regions, many of whom own property on the other side of the border and who cannot visit it more than five times a year?

Answer

The Preamble to the EEC-Yugoslavia cooperation agreement mentions a concern with the Community and Yugoslavia contributing to the achievement of the aims of the Agreements signed in Osimo on 10 November 1975 between the Republic of Italy and the Federative Socialist Republic of Yugoslavia.

However, Title IV of the agreement specifies that the contracting parties intend to favourize the economic development of the free zone, including in the list projects submitted for financing as part of the financial protocol and not applying measures to re-establish customs duties in respect of products manufactured in the zone when such products are covered by ceilings as part of the agreement.

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Question No 42, by Mr Curry (H-562/82)

Subject: Wheat

What steps does the Commission intend to take to ensure that the rules and standards governing the acceptance of wheat into intervention are applied uniformly across the Community?

Answer

The Commission intends examining the problem as soon as possible. With this in mind, it has decided to discuss these problems both with people in professional circles and with national experts.

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Question No 43, by Mr Sherlock (H-564/82)

Subject: Cooperation with USA on nuclear reactor safety

Does the United States Nuclear Regulatory Commission freely exchange technical information on nuclear safety, maintenance and operational procedures with Member States possessing water reactors?

Answer

1. American legislation stipulates that any information on regulations on nuclear safety is of public interest. Information of this kind is widely disseminated and easily accessible all over the world.

2. Specific technical information is exchanged under a large number of bilateral agreements between the Nuclear Regulatory Commission (NRC) and the corresponding national organizations.

3. Information is also exchanged under an agreement reached in 1978 between the Joint Research Centre and the NRC on nuclear safety. This agreement is part of an all-embracing treaty between the USA and Euratom which was signed in 1958 and added to on several occasions since then.

In addition to that there are numerous direct contacts between specialists in different fields and contacts in international organizations, e.g. in OECD/NEA in Paris or the International Atomic Energy Agency (IAEA) in Vienna.

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Question No 44, by Lord Bethell (H-567/82)

Subject: Landing cards

In view of the welcome decision of the British Government to abolish landing cards for Community citizens entering the United Kingdom by air, would the Commission urge the French Government also to abolish landing cards for Community citizens flying into France?

Answer

After a request from the Commission the French Government informed the Commission on 13. 12. 1982 that with effect from 1. 12. 1982 it had abolished the obligation to fill in landing cards for citizens of other Member States entering France by air.

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Question No 45, by Mrs Castle (H-569/82)

Subject: VAT

To what extent are Member States free to decide the products to which VAT should be applied and are they free to exempt VAT from food?

Answer

Under the common system of value added tax, the exemptions to be applied within the territory of a Member State are laid down in Article 13 of the Council's 6th VAT Directive of 17 May 1977.

Foodstuffs are not mentioned in Article 13 and are thus in principle subject to tax. Member States may, however, apply reduced rates in accordance with Article 12 of the 6th Directive.

Moreover, those Member States which applied a zero rate when the 6th Directive was adopted may continue to do so in accordance with the transitional provisions of Article 28(2) of the 6th Directive.

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Question No 47, by Mr Ryan (H-572/82)

Subject: Economic, monetary and budgetary policies in Ireland

Having regard to the fact that Ireland in the period since mid-1977 pursued economic, monetary and budgetary policies which departed from the guidelines laid down by the Council, did the Commission send any recommendations to the States concerned pursuant to Article 11 of the Council Decision of 18 February 1974 and if so with what consequences and if not, why not?

Answer

In taking up position on economic policy, the Commission may follow a number of different procedures, both formal and informal.

The choice of procedure *vis-à-vis* a particular Member State results from a consideration of all the factors the Commission considers important. Over the period indicated by the Honourable Member, since 1977 that is, but also in the years immediately before that, the recommendations on economic policy which the Commission addressed to Ireland were, in the main, made pursuant to Articles 2, 3 and 4 of the Council Decision of 18 February 1974 and not on the basis of Article 11. The Commission felt, in fact, that application of these articles was more in keeping with the demands of the economic situation in Ireland and with the need for greater economic convergence within the Community.

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Question No 48, by Mr Habsburg (H-576/82)

Subject: Unequal treatment of 'liberation movements'

Is the Commission aware that the Angolan 'UNITA' is a far more authentic 'liberation movement' than 'SWAPO', which is controlled and financed by the Soviet Union, and how can the Commission justify supporting the latter while deliberately ignoring the former?

Answer

The Commission would draw the Honourable Member's attention to the fact that in regard to Namibia the Community provides no economic assistance to the South West African People's Organization. As to Angola, the Community maintains relations with the government of that country, which is recognized by all EEC Member States.

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Question No 49, by Mr Pearce (H-577/82)

Subject: Merseyside County and the Merseyside Special Development Area

With regard to Merseyside County and the Merseyside Special Development Area, what criteria are used to determine the proportion of ERDF grants for industrial investment that is devoted to small and medium-sized businesses and to new factories and is the Commission satisfied that this proportion is suitable in relation to the area's needs?

Answer

1. In order to enable small and medium-sized firms to be better placed in respect of receiving ERDF aid, the current Fund regulation lays down (section quota) two provisions, whereby:

- a series of investments with the same geographical and financial link in the craft or tourist sectors can be considered as a single investment;
- the rate of 20% of the cost of the investment may be exceeded in the calculation of aid for the craft and services sectors.

The Commission considers the use of these provisions so far as inadequate. It intends examining, with the United Kingdom authorities, the possibilities of making greater use of the ERDF for investments in the industrial and the craft sectors.

2. As regards the non-quota section, Regulation (EEC) No 2617/80 of the Council of 7 October 1980¹ laying down specific Community regional development action to contribute to the elimination of obstacles to the development of new economic activities in certain areas concerned by reorganization and shipbuilding provides, among other things, for Merseyside County, the financing of operations that are particularly suitable for small and medium-sized businesses.

3. Lastly, in its proposals for the revision of the ERDF regulation², the Commission laid down (Article 16) special provisions on the financing of schemes to develop and exploit the local potential of the regions, which are specifically for small and medium-sized businesses.

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Question No 50, by Mr Goppel (H-580/82)

Subject: Lomé-III negotiations

Does the Commission not agree that to admit to the negotiations on the Lomé-III Convention a country such as Angola which has no respect for human rights and whose government is only able to remain in power by allowing its territories to be occupied by Cuban mercenaries is incompatible with the principles of the Community?

Answer

The possibility of a State — whose economic structure and production are similar to those of the ACP states — acceding to the Convention regulating cooperation between the Community and the ACP States is expressly provided in that Convention.

The Commission considers that the possible accession of Angola to the next ACP-EEC Convention would facilitate the drive for regional cooperation between the countries of southern Africa and contribute to the development and stability of the whole of the region and of each individual country — both aims to which the Commission referred again recently in its memorandum on the Community's development policy.

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Question No 51 by Mr Van Rompuy (H-585/82)

Subject: Belgian textiles scheme

What is the position with regard to the Commission's negotiations with the Belgian Government on the extension of the Belgian textiles scheme after 31 December 1982,

¹ OJ No L 271 of 15. 10. 1980.

² COM(81) 589 final.

and how have such delays arisen in the consideration of the textiles questions by the Commission?

Answer

The Belgian government notified the Commission, on March 1982, of its request for an alternative plan to the existing arrangements involving new formulae for aid and for prior notification of significant cases. The Commission began procedure 93/2/EEC in this respect, as it considered that the alternative project had aspects which were incompatible with the EEC rules of competition.

After taking up position on certain aspects to which the Commission objected in the said opening of procedure — both in a letter dated 18 June 1982 and in direct contact — the Belgian government, on 15 December 1982, asked for the plan currently in effect to be extended.

Repeated contact between the Commission and the Belgian government has occurred since and is still going on with a view to completing the information the Commission requires to decide on the Belgian government's requests. The Commission will be taking a decision next January.

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Question No 54 by Mr van Aerssen (H-590/82)

Subject: Advantages of Britain's membership of the EEC

The President of the Commission, Mr Thorn, recently made a clear statement stressing the following five advantages for the United Kingdom of membership of the Community:

- The Community takes 43% of Britain's exports and its rate of growth is higher than that of any of Britain's other trading partners. Membership of the Community has attracted substantial direct investment to the United Kingdom. The Community has facilitated the task of industrial conversion in the United Kingdom. 2.5 m jobs in the United Kingdom are dependent on the Common Market. British agriculture now covers three-quarters of total domestic consumption of temperate zone food crops.

What steps has the Commission taken so far to bring these facts home to the British public at large?

Answer

One of the main objectives of the Commission's Information Programme is the diffusion in the Member States of facts about the Community of the kind referred to by the Honourable Member. This is accomplished by the Commission's Press and Information Offices through regular contacts with representatives of the written press, radio and television as well as through activities directed towards the general public and specialized groups.

In the context of the 10th anniversary of the accession to the Community of Denmark, Ireland and the United Kingdom the Commission's Information Programme has been reinforced by additional activities, notably in the three member States directly concerned. On 25 November 1982, on the occasion of President Thorn's visit to the United Kingdom, a dossier on 'Britain in the Community 1973-83: The Impact of Membership' was distributed to the British press, radio and television by the Commission's Press and Information Office in London. Dossiers assessing the impact of membership on particular regions were released to the regional press on this occasion. Further events, focusing on the impact of membership, will take place during the coming months under the auspices of the Commission and of other organizations.

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II. Questions to the Council

Question No 67 by Mr Remilly (H-466/82)

Subject: Aid to Nicaragua

The Committee for aid to the non-associated developing countries recently approved a food aid project worth 18 million ECU for Nicaragua, intended mainly to provide backing for cooperatives and to assist agrarian reform. Does the Council consider that Community support for a project of this type is timely and in keeping with the political impartiality which the Community should exercise towards a country in crisis?

Answer

The aims of financial and technical aid for the non-associated countries are clearly laid down in the Council Regulation of 17 February and in the general guidelines on this subject which the Council adopts every year.

This aid is based on the needs of the least-favoured countries and the neediest sections of the population. It gives priority to agricultural and rural development schemes and, in particular, to those aimed at improving the food situation, with a view to contributing to the anti-hunger campaign.

In this largely humanitarian context, the project for Nicaragua, for which the Community has recently decided financing worth 7 400 000 ECU (of a total 19 900 000 ECU), is intended to develop basic food crops in this country. Later on, it could mean that food imports — and thus the food aid the Community has been supplying for several years now — can be reduced.

The Council therefore considers that Community support for this project is opportune and of direct benefit to the populations, particularly the most underprivileged of them.

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Question No 70, by Mr Flanagan (H-529/82)

Subject: Rapid exchange of information on dangers arising from the use of consumer products

Now that the Council has received the opinion of the European Parliament on the proposal for a Council decision introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products, when will it adopt a decision on this important issue?

Answer

I can tell the Honourable Member that discussion of this proposal is under way in the Council's subordinate bodies.

However, it is not possible at this stage to say when the Council will be in a position to adopt the Decision.

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Question No 71, by Mr Cronin (H-530/82)

Subject: Regional Fund Revision

Can the Council indicate which of the amendments adopted by the European Parliament in the context of the revision of the European Regional Development Fund have been adopted by the Commission and consequently recommended by the Commission for adoption?

Answer

As a result of the Resolution adopted by the European Parliament on 28 April 1982 the Commission submitted an amended proposal to the Council on 9 September 1982 pursuant to the second paragraph of Article 149 of the Treaty.

Although in the form in which it was put the question is a matter for the Commission, the Council is prepared to state that the Commission did draw on the European Parliament's amendments, particularly in the provisions on coordination of regional policies, the non-quota section, the change-over to financing by programmes, local development potential in the regions and the employment of women.

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Question No 72 by Mr Ephremidis (H-538/82)

Subject: The Greek Memorandum

According to the views of those directly concerned — the Greek workers — both their immediate problems, which have been exacerbated by EEC entry, and more generally the problem of the economic development of the country are impossible to solve under the terms of the Rome Treaties and Greece's Treaty of Accession.

Can the Council state whether the Council, the Rome Treaties and the Treaty of Accession define the scope of negotiations with Greece on the basis of the Papandreou Government's memorandum or whether substantial exceptions will have to be made over and above the various special 'safety' clause provided for under the EEC Treaty and Greece's Treaty of Accession?

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Question No 73 by Mr Alavanos (H-542/82)

Subject: The Greek Memorandum and the principles of competitions

Although the proposals put forward by the Papandreou Government in its memorandum cannot provide complete solutions to the problems created for the Greek workers and the national economy, talks with the EEC to date have centred purely and simply on a quantitative increase in the resources received from the various Funds or certain arrangements for Mediterranean produce in view of Spain and Portugal's accession.

How does the Council envisage the problems of departure from the principles of competition (protection of industry, export aids, exemption from production quotas, etc.)

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Question No 74 by Mr Adamou (H-543/82)

Subject: Measures to protect the Greek economy

While the proposals for the 'Memorandum' have been under discussion for many months, one year after the change of government the serious negative consequences of entry into the EEC have persisted: dismantling of tariff barriers, a great increase in Greek imports from the EEC, a rise in unemployment, closure of small and medium-sized undertakings in the face of competition from the EEC, low prices for agricultural produce etc.

How will the Council react to the Greek Government taking immediate practical measures to protect the national economy and the Greek workers until negotiations with the EEC are concluded?

Joint answer

With your permission, and with the permission of the questioners, I will give a joint answer to Question No 538/82 by Mr Ephremidis, Question No 542/82 by Mr Alavanos and Question No 543/82 by Mr Adamou.

Following initial discussions within the framework of the European Council on 29 and 30 March, 1982, the Commission, in response to a request by the Council, compiled in June a full and detailed reply to the Memorandum of the Greek Government.

The Council examined the matter on 21 June, and amongst other things decided that the Commission should work in conjunction with the Greek authorities in order to clarify the various aspects of the matter. Since then these contacts have been established and are continuing.

It remains for the Commission to decide how and when to submit its report on the matter to the Council. At that juncture the Council will re-embark on the necessary discussions.

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Question No 76, by Sir Peter Vanneck (H-547/82)

Subject: Common Customs Tariff on aeronautical products.¹

Will the Council explain why certain Member States and not others invoke Article 223 of the EEC Treaty as an entitlement to import duty free products for military aircraft?

Answer

The Council would point out that it is for the Commission to ensure that the provisions of the Treaty and measures taken pursuant thereto are applied.

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Question No 77, by Mr Balfe (H-553/82)

Subject: Accession of the Communities to the European Convention on Human Rights and Fundamental Freedoms

Would the Council welcome the accession of the Communities to the European Convention on Human Rights and Fundamental Freedoms?

¹ Council Regulation (EEC)1535/82; OJ L 175 of 21. 6. 1982 p. 1.

Answer

On 3 May 1979 the Commission sent the Council a memorandum on the accession of the European Communities to the Convention for the Protection of Human Rights and Fundamental Freedoms. The Council has noted that the European Parliament, having been consulted by the Commission, adopted a resolution on this subject on 29 October 1982. As it has not had occasion to discuss the substance of this matter, the Council has no position on it.

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Question No 78, by Lord Bethell (H-568/82)

Subject: Landing cards

In view of the welcome decision of the British Government to abolish landing cards for Community citizens entering the United Kingdom by air, would the Council urge the French Government also to abolish landing cards for Community citizens flying into France?

Answer

The Council has just learned that the French government told the Commission, on 13 December 1982, that, as from 1 December 1982, Community citizens landing in France no longer had to fill out landing cards.

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Question No 79, by Mr Ryan (H-573/82)

Subject: Medium-term economic policy programme

When did the Council last adopt a medium-term economic policy programme in accordance with Article 6 of the Council Decision of 18 February 1974 and what action, if any, has been taken or will be taken against the government of any Member State in breach of its express declaration to act in accordance with the guidelines laid down?

Answer

The last medium-term economic policy programme was adopted by the Council on 28 July 1982.

In addition, each year, the Council lays down economic policy guidelines for each Member State and quantitative guidelines for the draft national budgets.

On the basis of communications regularly sent to it by the Commission, the Council systematically monitors developments in the economic situation and the conformity of national policies with the jointly decided guidelines.

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Question No 80, by Mr Pearce (H-578/82)

Subject: Permits for road transport

Does the Council not consider that its decision to reject the Commission's proposals for 1982 for the issue of permits for road transport¹ was utterly contrary to the intentions of the Treaty of Rome permitting free trade between the Member States, and what reason can it give for not altering its position?

Answer

The Council, acting on the proposal of the Commission and after consultation of the European Parliament, which gave its opinion on 12 March 1982, adopted on 22 March Regulation No 663/82 concerning the Community quota for the carriage of goods by road between Member States.

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*III. Questions to the Foreign Ministers**Question No 87 by Mr Habsburg (H-583/82)*

Subject: National minorities

All reports indicate a steady worsening in the situation of national minorities — such as Germans and Hungarians — as a result of the policies of the Ceausescu Government. Would the Foreign Ministers meeting in political cooperation be prepared to use their influence to secure better treatment for these minorities, including the right to emigrate to the country of their choice?

Answer

The Foreign Ministers of the Ten meeting within the framework of European Political Cooperation have not discussed this concrete question.

During the CSCE-follow-up meeting in Madrid the Ten have urged the carrying out in full of all of the decisions of the final protocol, also including the decisions regarding national minorities, and they shall continue to do so during the now resumed session.

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Question No 89 by Mr Kyrkos (H-534/82)

Subject: NATO activities overshadowing relations between Greece and the EEC

The Greek Government cancelled the NATO exercises planned to take place in Greece because NATO headquarters in Naples refused to include Limnos in the exercise zone as requested by the Greek Government. The extraordinary meeting of the NATO Defence Planning Committee in Brussels on 8. 11. 82 also upheld this decision.

This decision by NATO was received in Greece as the clearest of indications that it contests Greece's sovereign rights in the Aegean, and more particularly on Limnos.

¹ OJ Nr C 269, 21. 10. 1981, p. 4.

The problem not only has aspects concerning relations between Greece and NATO — to which the Greek people remain firmly opposed — it could also cast its shadow over relations between states within the EEC. In view of this, can the Foreign Ministers state their opinion on this provocative contestation of Greece's sovereign rights?

Answer

The issue mentioned in the question from the honourable Member has not been discussed amongst the Ten. Therefore I am not in a position to answer the question.

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Question No 91 by Mr Ephremidis (H-539/82)

Subject: The position of the Ten on the Poland issue

According to information in the press, the EEC sent a message to the Greek Government by telegram asking it to reconsider its views on the Polish issue and to bring them into line with the draft resolution of the EEC Foreign Ministers condemning the recent events in Poland.

Can the Foreign Ministers inform us whether such pressure was exerted on the Greek Government, whether the final EEC positions on Poland are endorsed by the Greek Government and, if not, how these came to be expressed as the overall position of the EEC?

Answer

As the honourable Member will, of course, know I cannot disclose the contents of internal discussions between the Ten. I can, however, inform you that all decisions taken by the Ten on the question of foreign policy are based entirely on a rule of consensus. Such decisions are made after a free and open discussion without any attempt to force upon Member States the viewpoints of others.

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Question No 92, by Mr Balfe (H-554/82)

Subject: Plastic bullets

Are the Foreign Ministers aware of any European countries other than the United Kingdom where plastic bullets are in use?

Answer

As stated several times before, European Political Cooperation does not include the internal affairs of the single Member States.

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Question No 93, by Mr Ryan (H-574/82)

Subject: Northern Ireland

Having regard to the damage to the image of Europe in the world arising from the irresolution of the conflicts in Northern Ireland and the consequent unacceptability to non-

European countries of European advice as to how they should manage their own affairs, do the Ministers now accept that the European Community should adopt a more active role in bringing a satisfactory solution to the Northern Ireland dilemma?

Answer

As the honourable Member will know, the internal affairs of Member States are not discussed within the framework of European Political Cooperation.

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IN THE CHAIR: MR DANKERT

President

(The sitting was opened at 10.15 a.m.)

President. — I wish to apologize for the slight delay in opening the sitting. On account of the late decisions the documents which are needed for the vote have not been distributed yet. If this is still the case when we come to vote, voting time will have to be adjourned until the documents are available in all the languages.

1. Approval of minutes

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

Are there any comments?

Mr Balfe (S). — Mr President, I do not see in the Minutes of yesterday any reference which would be required under Article 5(4) of the budget procedure to the time limit for setting amendments to the 1982 budget Part II which we are considering today. Can you tell me when, under the Rules, this was announced to the House?

President. — Mr Balfe, there is no question of a time limit where matters of urgency are concerned. In this

particular case the beginning of the session is the time limit.

Mr Bonde (CDI). — (DA) Mr President, I should like to draw attention to a decision reached yesterday, 15 December, in the Committee on Budgets of this Parliament concerning the transfer of some 17 million ECU to be used for electioneering in 1983. This represents about 10% of the entire budget for the year, and I should like to know first of all what Parliament would think if the Commission . . .

President. — For the moment it is still a matter for a committee, not the plenary.

Mr Bonde (CDI). — (DA) Mr President, I would also question the validity of the decision for procedural reasons since the document, PE 82.253, was not available in all the working languages. There was no Danish version and we are not talking here of a general preparatory document. We are used to discrimination against the minority languages, but this is a question of a legal act proper, and legal acts must be drawn up in all the official languages before they can be valid. I therefore urge you, Mr President, to declare the decision by the Committee on Budgets . . .

President. — Mr Bonde, may I again point out that at this stage of the procedure there is a committee document and the committee has competence. If there are any problems concerning legal validity we cannot dis-

President

cuss them here, they have to be raised in a different way — through the Bureau, for instance.

Mr Bonde (CDI). — (DA) Mr President, I brought this matter up at the meeting of the Committee on Budgets, but no notice was taken of my protest. If the committee disregards protests and votes anyway, I would have thought that this was indeed the time and place to bring the matter up. I urge you to regard this decision as invalid and take the appropriate steps.

Mr Aigner (PPE), chairman of the Committee on Budgetary Control. — (DE) Mr President, the House may like to know that the Committee on Budgetary Control, which is the competent committee for the transfer of these resources, voted unanimously in favour of this transfer. If I remember rightly, there were only two abstentions. I admit that there was no Greek or Danish translation available but there were no objections from any Member, which means that the vote was taken according to the rules.

(Applause)

Mr Boyes (S). — Mr President, mine is just a trivial point...

(Interruptions from the European Democratic Group)

It just shows what they are like over there.

Could I have my name added to the attendance register, please, in view of the fact that my exchanges with Lady Elles are well documented on pages 9 and 10?

President. — It will be added, Mr Boyes.

(Parliament approved the minutes)

2. Membership of Parliament

President. — I have the pleasure of announcing that our colleague, Mr Frank Cluskey, has been nominated a member of the Irish Government as the Minister for Trade and Tourism.

(Applause)

I congratulate him in his absence and I am sure I convey all your feelings when we send him our best wishes for his new job.¹

3. Votes¹

BARBARELLA REPORT (Doc. 1-991/82 'Draft supplementary and amending budget No 1 for 1982')

MOTION FOR A RESOLUTION BY THE COMMITTEE ON BUDGETS (Doc. 1-1059/82 'Rejection of draft supplementary and amending budget No 1/82 as modified by the council')

COMPLEMENTARY MOTION FOR A RESOLUTION BY THE COMMITTEE ON BUDGETS (Doc. 1-1062/82 'Draft supplementary and amending budget No 1 for 1982')

Mrs Barbarella (COM), rapporteur. — (IT) Mr President, Members might like to recall that when Parliament voted through the amendments to the amending budget on Tuesday, it stipulated two very definite conditions for the Council. The first concerned a guarantee of a political kind, to the effect that the special compensation measures for Germany and the United Kingdom should be the very last. In other words, there should be no extension in the years to come — which was what the Commission was proposing — and instead these measures should be replaced by lasting and overall Community measures, meaning the reform of the Community budget and the proper development of common policies. The second point was that we want the reinstatement of the special measures for 1982 within the framework of common policies. This means, where these measures are concerned, that we have to apply the criteria and procedures which are normally used for Community measures. The fact of the matter, Mr President, is that after twelve hours of talks the Council has not been able to accept any meaningful proposal by Parliament. We asked for a political guarantee for a lasting solution which would obviate extending *ad hoc* measures, and all we got was a vague pledge to avoid — and this was the word the Council used in its statement — further use of such measures.

Secondly, the Council accepted only one of the specific amendments to the budget which we suggested. It was the least important amendment and even this was accepted only in part. The other eight amendments, which were the decisive ones, were summarily rejected by the Council.

Let me also say that, although our delegation urged the Council to avoid precipitating a crisis and to make every effort to find an agreement, the Council main-

¹ Documents received — Authorization of reports — Referral to committee: see Minutes.

¹ See Annex.

Barbarella

tained a firm line based — I might add — on arguments of a legal and technical nature rather than on political grounds. Given the circumstances, which to our mind seem to indicate total refusal, the Committee on Budgets feels obliged to propose that Parliament reject the amending budget. This is the drift of our motion for a resolution. In making this proposal, Mr President, the Committee on Budgets is seeking to spotlight the tremendous responsibility which the Council must bear for ignoring the proposals, which were quite reasonable and constructive, put forward by Parliament.

The Committee on Budgets must point out that it is extremely worried that all this could provoke a further serious crisis in the Community, and for this reason we are anxious to urge the Commission and the Council to submit fresh budgetary and financial proposals which will at last produce a genuine follow-up to the mandate of 30 May and which will outline lasting Community solutions for situations which have proved intolerable to certain countries in the Community. The committee has tabled a second motion for a resolution along these lines, and we should like the House to adopt it.

Mr Møller, President-in-Office of the Council. — (DA) Mr President, ladies and gentlemen, I should first of all like to thank Parliament for permitting me to speak for a second time in the debate at this decisive moment before the vote is held. I realize that this is not customary, and it is not least in the light of this that you should see my gratitude at having been given the floor.

Mr President, the problem facing the budgetary authority is basically a simple one which can be expressed in the form of a question. Are we all so inflexible in our attitudes that we must force the Community into yet another budgetary crisis while we are already faced with other major problems which we are trying to solve by means of joint solutions and Community solidarity? The Council held a meeting until late last night here in Strasbourg in order to examine its own position and to try and come to some agreement with your representatives regarding both the supplementary and amending budget No 1 for 1982 and the 1983 budget. I think I can safely say that the Council showed a certain willingness to compromise on both questions, since it acknowledged the force of the arguments put forward by the Parliamentary delegation in the course of several rounds of negotiations. It will be useful for you at this time, I think, to get a first hand account of the final compromise put forward by the Council before the talks were concluded last night.

Firstly, I should like to say a few brief words on the supplementary budget. In answer to Parliament's wish expressed in paragraph 4 of the Barbarella Report, the Council made a statement regarding the future. Parliament had in fact asked for a specific and binding polit-

ical guarantee concerning certain matters, which the Council in good faith, could not give. However, we presented the text of a declaration which broadly speaking takes account of the views and concerns of this Parliament. There was talk of a joint declaration of intent which all three institutions could work towards, and this, I think, is something which should be borne in mind. The Council submitted a compromise document which was based on, and took account of, the points about which this Parliament had expressed concern.

In answer to Parliament's request to the effect that the validity of the special measures should be extended in the context of existing common policies, the Council then decided that it could, as part of an overall solution, accept Amendment No 9 concerning a Community energy development programme. You will understand, I hope, that the Council felt that with this gesture it was meeting one of Parliament's central aims. With a view to meeting Parliament's unremitting wish for effective monitoring the Government of the United Kingdom also agreed to submit to the European Parliament half-yearly reports on the utilization of the amounts received under the supplementary measures, and to facilitate on-the-spot checks to be carried out by this Parliament's Committee on Budgetary Control. This is another example of some of the wishes which this Parliament has been so firm in expressing being met on a bilateral basis.

Mr President, the Council explained that it could not accept Parliament's other amendments, some of which would involve substantial changes in the timetable for repayments to the United Kingdom and the Federal Republic. The Council also stressed that it respected, and urged Parliament also to respect, the classification of the measures to help the United Kingdom adopted in the joint declaration of 30 June. The Council takes the view that the energy measures set out in Article 707 also clearly come under compulsory expenditure.

Mr President, as regards the regulations forming the basis for payments to the United Kingdom and the Federal Republic, the Council would ask you to give your opinion on this subject, so that the amounts can in fact be paid at the end of 1982 as envisaged by the Council.

So much for the supplementary budget for 1982.

I should perhaps round off by stressing that the Council genuinely feels it made a substantial effort in last night's talks with the Parliamentary delegation. It is right, I think, to stress the great political significance of these questions.

We have endeavoured, we think, to come to an arrangement which will be satisfactory for all concerned, and I should like to take this opportunity of drawing Parliament's particular attention to the importance of the supplementary budget for 1982.

Møller

There can surely be no justification for involving each other in a budgetary crisis in the Community at this time and under the present conditions.

(Applause)

Mr Tugendhat, Vice-President of the Commission. — Mr President, I must begin by thanking you and the House for extending to me the courtesy of the opportunity to speak at this very important moment. I can well understand and sympathize with Parliament's feelings of frustration and discontent with the way in which the Council has handled the whole question of the United Kingdom's supplementary measures and the German energy measures. I have lived with this problem. I can understand your feelings. You have been placed in a most difficult position.

As I have already made clear, earlier this week, the Commission attaches the greatest importance to the implementation of the political agreement to which this supplementary budget is designed to give effect. I must therefore, Mr President, express my regret and my deep disappointment that we should now have reached a point where a resolution of this kind should be in front of you. It will, if it is passed, inevitably cause a serious new crisis in the Community of a kind which it is in nobody's interest to see. A rejection by Parliament of the supplementary budget will not be a victory for Community policies. It will, I fear, be a victory for intransigence. Not the intransigence of one institution but the intransigence of institutions within our Community.

As I say, I can understand the feelings of Parliament, the frustration and discontent on this issue. However, I must ask you to look into your hearts and to ask yourselves whether Parliament itself has shown as much flexibility and understanding as this serious issue would warrant. Parliament, of course, will take its own decisions.

Protest from various quarters)

Parliament will take its own decisions, as it has a right to do.

I can only hope that, if the supplementary budget is rejected negotiations can soon begin to try to find some other way of solving the problems which this supplementary budget is designed to mitigate. I have to say that that will not be easy, that the Commission will certainly do the best it can to bring about a satisfactory resolution.

That is all that I wish to say.

(Applause from the European Democratic Group)

Mrs Seibel-Emmerling (S). — (DE) Mr President, could you, for the sake of order, make it clear whether

Mr Tugendhat has just spoken as a Member of the Commission or as a representative of her Britannic Majesty?

President. — Mrs Seibel-Emmerling, the answer is quite simple. Members of the Commission always speak in this Parliament in their capacity as Members of the Commission.

Mr Arndt (S). — (DE) Mr President, I should like to ask a question. As we heard just now, Mr Frank Cluskey has recently been appointed as a Minister in the Irish Government, which means that the number of Members in this House is now 433. Am I right in thinking that the requisite majority is now 217?

President. — You have worked it out very accurately, Mr Arndt. The figure is indeed 217.

(Laughter)

Mr Bangemann (L). — (DE) Mr President, with a view to making Parliament's job easier I should like to ask whether or not explanations of vote can be given now, since the vote must wait until all the texts have been distributed.

(Applause)

President. — Mr Bangemann, if we can settle another few procedural questions, if the distribution has been completed and if there is no risk of insufficient Members being present when the vote is held, I can go along with your proposal.

Mr Møller (ED). — (DA) I was interested to hear what the Danish President-in-Office of the Council had to say in his statement here this morning. He described a number of proposals which the Council had made in the form of declarations of intent. As far as I know, these are not available to Parliament as such, and I should therefore like to ask whether or not we can use the forthcoming break — and I go along with the President's proposal on this point — to have the declarations of intent duplicated in the various languages. This might perhaps pave the way for an attempt on the part of Parliament to reach a compromise and hence avoid a budgetary crisis.

Mr Lange (S), Chairman of the Committee on Budgets. — (DE) What Parliament called for was the Council's assurance that the operation planned would be the last of its kind. The Council stated quite plainly that although it basically concurred with our views, it was nevertheless unable to make any promises. It also added at a subsequent stage in the talks that this was

Lange

not a matter for the Council but possibly even for the European Council.

For our part, however, we pointed out that the Council in fact knew what Parliament thought on this question and that it could, as Budget Council have made preparations to establish contact between what from its point of view is the decisive Council and the Parliamentary delegation, so that the Council responsible for the decision could have answered Parliament's questions. This was not the case, however. Instead, as in previous years, the Budget Council is once more sheltering behind other Councils which are supposed to be more competent. This obviously gives rise to the basic question of whether there is any point whatsoever in holding talks with the Budget Council on major political issues arising from the budgetary situation and trying to reach some results.

(Applause)

After the explanations of vote on the motion for a resolution (Doc. 1-1059/82)

Mrs Focke (S). — (DE) Mr President, before we come to vote on the two motions for resolutions, I should like to ask whether it is formally possible to combine them into a single motion for a resolution since I think it is intolerable that we should flatly reject one of them and only afterwards come up with our constructive proposals for the future in the form of a supplementary motion for a resolution. Would it still be possible now that we have actually come to vote on them to combine them into a single motion for a resolution?

President. — No, that is not possible at this stage. It is the responsibility of the Committee on Budgets to propose what it has proposed.

Mr Langes (PPE). — Mr President, everyone in this House should understand why we have made this proposal in connection with this difficult matter. Mrs Focke should realize that we have given a great deal of consideration to the question of whether we should table one or two motions for resolutions. Initially, we had proposed one but, with a view to obtaining a large majority, we finally agreed on two motions for resolutions and two specific votes. This should result in a large majority.

After adoption of the motion for a resolution (Doc. 1-1062/82)

Mr Møller, President-in-Office of the Council. — (DA) Following the vote I think I should make the following point. I know that the Council has frequently made it quite clear to Parliament what political significance it attaches to the supplementary

budget No 1 for 1982. There is no need at this point for me to go into the difficulties which the Member States had in arriving at the solution embodied in the supplementary budget, which this Parliament has had an opportunity to examine. However, I am certain of one thing, and can tell you quite plainly that Parliament's rejection of the supplementary budget has put the Community in a particularly difficult situation, the implications of which may well not be entirely clear at present, but I think we can safely assume that this will result in a crisis in the cooperation between the various Community institutions, and this at a time when the economic and social situation have in fact stressed the great need for cooperation of which we should all be aware.

DRAFT GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR 1983 AS MODIFIED BY THE COUNCIL, 2nd READING

Mr Møller, President-in-Office of the Council. — (DA) Mr President, ladies and gentleman, I should like to stress in connection with the 1983 budget that, during its discussions with the Parliamentary Delegation, the Council stated that it was willing to grant Parliament over half the amount Parliament had had in mind. Thus, the Council was prepared to agree to 70% of the amount proposed by the Committee on Budgets being included under non-compulsory expenditure and accepted by the Council, with all that this would imply for the maximum rate of increase. Here too, I think I can rightly say that the Council was prepared to meet Parliament half way, and I hope you will bear this in mind when deciding which way to vote.

Mr Robert Jackson (ED), General rapporteur. — Mr President, I am afraid that I cannot offer the Parliament any of the drama which has coloured our discussion of the 1982 supplementary budget although I do fear that the 1983 budget may well turn out to be one of the many, many casualties that will be produced by the explosion of the 1982 supplementary.

What I have to propose to the Parliament in respect of the 1983 budget is really very simple. The Committee on Budgets simply confirms the line it has consistently taken ever since the Council's second reading and reaffirms its recommendation of this line to the House. We believe that transfer No 30 earlier this year has expanded the *assiette* for 1982 and therefore has expanded the Parliament's margin for 1983. We share this belief with the Commission. The Council is isolated in this matter. We do not regard it as a matter of negotiation and that was the point that the Council was trying to make. We regard it as a matter of the Parliament's rights. The Committee on Budgets therefore recommends its amendments to the House in the expectation that the budget, — so amended, will be

Jackson

adopted by the President and executed by the Commission.

Lady Elles (ED). — I just wondered about the rectitude of the Committee of Inquiry into the Situation of Women in Europe tabling any amendments at all, because the Committee on the Rules of Procedure and Petitions found that *ad hoc* committees do not have the right to table amendments to resolutions to this Parliament.

President. — Lady Elles, I have to remind you that the Committee on the Rules of Procedure and Petitions ruled that as long as it had not really ruled on the Committee of Inquiry into the Situation of Women in Europe, it would be considered as a normal, permanent committee.

Mr Robert Jackson (ED), General rapporteur. — I think we ought to vote on Amendment No 108, because it does contain remarks which are not contained in the earlier Amendment, No 184, so it is not in fact covered.

And the Committee on Budgets would recommend voting in favour of Amendment No 108.

Article 791 — After the vote on Amendment No 99

Mr Galland (L). — (FR) Mr President, I am sorry if I have to bring something up again but I have the impression there was an error in the vote on an amendment. Mr Jackson will have to confirm or refute what I am going to say. On Amendment No 159 (Item 7382) it was said that the Committee on Budgets gave an unfavourable vote, whereas I believe that the committee was in favour of this amendment.

Mr Robert Jackson (ED), general rapporteur. — Mr President, I can confirm that the Committee on Budgets was in favour of that.

Mr Galland (L). — (FR) Mr President, I was aware you said that the Committee on budgets was against this amendment and this led to the rejection of the amendment. Some people are saying that it has been rejected, while others are saying it has been adopted. If it has been adopted, that is the end of the matter. But if it has been rejected, there is a problem.

President. — Mr Galland, after so many votes it is impossible to remember what happened with any precision. The tape could perhaps be checked.

Mr Galland (L). — (FR) Mr President, if you announce that an amendment was rejected by the

Committee on Budgets, the House will vote against it and I believe that this is what in fact happened. In the alternative case, the House will vote in favour.

President. — Mr Galland, every Member has a list of the various political groups which indicates the votes in favour and those against. I think this is guarantee enough to ensure that Members vote the way the groups wanted.

Mr Kellett-Bowman (ED). — On a point of order. Mr President, you have said that the tape will determine what you actually said. I registered what you actually said. You gave two verdicts on that result, which has added to the confusion. Whether the tape will then help you answer Mr Galland's problem is rather problematical.

President. — Everybody remembers things differently. We shall find out what is on the tape and we shall decide accordingly.

Before the vote on the Jackson motion for a resolution (Doc.1-993/82) as a whole.

Mr Møller, President-in-Office of the Council. — (DA) Now that Parliament is approaching the end of its voting on the 1983 budget, I should like to point out on behalf of the Council that the budget procedure cannot be regarded as completed, since the conditions under which the President of this Parliament can, pursuant to Article 203 of the Treaty, declare the budget finally adopted have not been fulfilled. This is because the maximum percentage increase has been exceeded without any agreement having been reached between the Council and Parliament on a revised maximum rate of increase, as provided for in Article 203 (8).

Mr Robert Jackson (ED), General rapporteur. — The House might like to know that it has kept exactly to the target of the Committee on Budgets, that we have voted an additional 137 279 million ECU in payments and 176 999 000 ECU in commitments. We have thereby undershot our margin and I hope the Council will take note of this gesture by Parliament.

(Applause)

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen, there is no doubt we have had a bit to do in the past few days and the last 25 hours have been particularly tough. It is precisely for this reason that I think we ought to pay tribute to the people behind the scenes who have enabled us to get on with this vote today.

(Applause)

Lange

I am referring to all the staff, who were also working last night, and I also want to mention the interpreters. I am not going to say anything about the rest of us here and about the President, because we are simply doing our duty. However, along with the staff I should also like to thank the rapporteurs. ...

(Applause)

... Mrs Barbarella on the supplementary and amending budget for 1982, Mr Saby on the operating budget for 1983 and Mr Jackson on the Commission budget for the same year. They deserve our thanks because they completed a difficult task in difficult circumstances. And lastly, Mr President, you have shown us once again here today that difficult votes like this one can be dealt with smoothly.

President. — Thank you, Mr Lange. There is one person you failed to name, however, and I mean the chairman of the Committee on Budgets.

(Applause)

After the vote on the Jackson motion for a resolution (Doc. 1-993/82) as a whole

Mr Bonde (CDI). — *(DA)* On a point of order, Mr President. We have now adopted a budget which exceeds the maximum rate of increase. Thus, in accordance with Parliament's own Rules of Procedure the Committee on Budgets should now table an amendment for a new maximum rate of increase. I should like to ask the President when such a proposal will be made.

President. — Mr Bonde, this is not a point of order.

(The sitting was suspended at 1.15 p.m. and resumed at 3.15 p.m.)¹

IN THE CHAIR: LADY ELLES

Vice-President

4. Topical and urgent debate

President. — The next item is the topical and urgent debate.

¹ Motion for a resolution entered in the register (Rule 49): see Minutes.

Poland

President. — We start with the joint debate on two motions for resolutions:

- motion for a resolution (Doc. 1-1022/82), tabled by Lord O'Hagan on behalf of the European Democratic Group, on Poland;
- motion for a resolution (Doc. 1-1035/82), tabled by Mr Habsburg and others on behalf of the Group of the European People's Party (CD Group), on the situation in Poland.

Mr Tyrrel (ED). — For most of this week Parliament has concentrated on its own internal Community problems which have seemed large and at times insoluble. But let us get them in perspective. Our problems are petty in comparison with those facing the Polish people. We have food and fuel and freedom. They are pathetically short of all. One year after the treacherous imposition of martial law we look back with sorrow and frustration. We have pledged ourselves to succour the Polish people who want no more than the freedoms which we in this part of our joint continent take for granted. But our best has been ineffective. Martial law continues and with it the continuing suppression of the legitimate aspirations of the Polish people. Martial law may or may not be suspended at the end of this year but, irrespectively, let us look at the facts rather than the fiction which that name conceals.

We cannot regard martial law as at an end until three conditions at least are fulfilled: The internees must be released and charges withdrawn; those who have lost their jobs reinstated, and the right of Solidarity to exist recognized.

There remain some 300 internees as of yesterday. Harrowing accounts are told of the conditions in which some of them are held. Some face so-called criminal charges. I mention three by name, though let us not forget the others: Jacek Kuron, Adam Michnik and Jakob Lipinski. I single out these three because I met them in Warsaw in 1979 when they were prominent members of the 1976 Worker's Defence Committee. I can say categorically that those three renounced the use of force. They recognized the political reality that Soviet invasion and oppression would follow any attempt to break out of the Communist empire and so they had no plans for that but hoped to restore Polish pride and economic performance by parallel institutions in Poland within the framework of law. They were interned with many others on the 13 December 1981 and it is ironic that the charges against them include that of fomenting a demonstration in August 1982 when they were still incarcerated, as they are today.

So let us warn the Polish military authorities and their Russian masters: we will watch the fate of these men with the eyes of a hawk.

Tyrrel

I now turn to the fate of the many thousands of Poles who have been victimized for their part in practising the freedoms which the Polish government promised them at Helsinki. They have lost their jobs. They live on the meagre crumbs that their family and friends can afford from their own tables. Elementary justice demands the reinstatement of these people.

Let us consider the fate of Solidarity itself. We recognize the right to join a trade union. In much of Western Europe that right has been entrenched for over a hundred years. Not so in Poland, despite overwhelming public support for it. The great leader Mr Walesa, who was recently released after a year in detention, is again under harassment with the old Communist trick of character assassination at work against him. Let us warn the Polish rulers that we will not be fooled and that we regard his safety and liberty as indispensable to re-establishing normal relations. If the news that he has been re-arrested, as I have heard within the last hour or two, is true then let us add to our warning to the Polish government that we will never, and let us emphasize NEVER, be willing to resume normal relations until his freedom is established.

(Applause)

Meanwhile, we must keep up the pressure. We should send food aid only, and only so long as we can make sure that it goes to the Polish people who need it and not to fill the bellies of the army of oppressors.

It is with satisfaction, after the differences of this week, that I move the amendment that stands in the names of the four groups of the centre right encompassing, as it does, Members from all Ten Member States.

I hope the Socialists will also join in this amendment. On this issue we speak firmly, clearly and with one voice. We pledge continued support for the Polish people in achieving their legitimate national aspirations.

(Applause)

Mr Habsburg (PPE). — (DE) Madam President, the European Parliament, being the first multi-state and multinational popular assembly, has rightly concerned itself from the very beginning with the problems of human rights and national self-determination. This applies especially to the continent for which we bear responsibility. Today, this set of problems has become the focal point of world interest particularly as a result of the events in Poland.

What is the actual issue? A year ago, General Jaruzelski — in reality a Red Army politruk, and his Interior Minister Kiszcak, a citizen of the Soviet Union, abolished the few liberties that the Polish people had struggled to obtain since the creation of the *Solidarność* Trade Union.

Those in power could never have done this without the pressure of the Red Army. They are just as much Gauleiters of an aggressive, totalitarian power as Quisling or Mussert were for Hitler.

It is maintained that some measures have recently been withdrawn. This is grotesque in the light of what has happened today! My friend Mr Deschamps will reply to these claims and so I need say no more about them.

We shall vote on an amendment by the Socialist Group which is intended to replace the joint text of several groups. I would ask you to reject this amendment. We had a discussion on a joint text along the lines desired by the signatories of the first motion for a resolution. The Socialists were against a declaration and said they did not want any text at all. The four groups which have now signed then agreed upon a joint text. Suddenly, however, the other amendment was then tabled, which is regrettable since it makes it impossible to agree to it, all the more so since this text is much weaker than those drawn up by Lord O'Hagen, Mr Gawronski, Mr Israël and myself. I ask you to adopt the amendment of the Conservatives, Liberals, Progressive Democrats and European People's Party telling the Polish people that the European Parliament is on their side and not on the side of the dictators put in power by Moscow.

Europe will not be free and properly united until the Polish nation, too, can exercise its self-determination.

(Applause)

Mr Glinne (S). — (FR) Madam President, ladies and gentlemen, I must begin by correcting paragraph 2 in the French version of our proposed amendment. The words 'droits de coalition' are to be replaced by 'respect des droits de l'homme', by which of course we mean the right of association and hence the right to engage in free trade union activities, such as those engaged in by the trade union Solidarity before martial law was declared.

I must also point out that the first recital in the Dutch version is not quite accurate; the word 'opgeheven' is used when it ought to be 'afgeschaft'.

Basically, our amendment seeks to dissociate the Socialist Group from the opinions expressed by the centre right Members of this Parliament, since some of our colleagues on the opposite benches say that they want freedom for trade unions in Poland while at the same time — and this is a contradiction — they are only too ready to curb the hard won rights of trade unionists within the European Community. We were given clear proof of their way of thinking when we voted on the Vredeling draft directive on the right of workers in multinational companies to information.

Mr Barbi (EPP). — (FR) Didn't you vote for it?

Mr Glinne (S). — (FR) When we Socialists demand the complete right of association, by which we mean free trade unions and some form of workers' control, it is quite clear that we mean in both West and East.

(Interruption from the centre: 'Incredible')

This having been said, our amendment points out that it is not enough just to suspend martial law at the beginning of 1983, that the way in which Lech Walesa — in particular — and other prisoners were set free was highly dubious, that there is a need for a general amnesty and ultimately that it is essential for martial law to be lifted totally. In our opinion, this is an essential precondition for a dialogue to take place between the main political, social and religious forces in Poland which, it is hoped, will initiate a democratic process.

Paragraph 3 states that it is vital to continue giving aid to the Polish people — and I use the words Polish people deliberately — just as the European Commission has been proposing since last October, so as to translate our feelings of solidarity with the Polish population — who cannot be identified with their present leaders — into something concrete on the material level. The President of the Union of European Community Socialist Parties has also spoken along the same lines that I have just touched on generally.

Mr Antoniazzi (PPE). — (IT) Madam President, I think that the motion and the amendments which have been tabled ought to be changed, in view of the fact that Lech Walesa was arrested again a few hours ago.

President. — We cannot amend the texts before the House today, but it has already been mentioned in one speech and no doubt will be taken up in other speeches which will be passed on to the relevant authorities.

Mr Glinne (S). — (FR) I should like to point out that the correction of simple errors which have occurred in some versions is of course permissible.

President. — The English text I have checked is correct in accordance with what you read out and the points you have made will have been noted by the service.

Mr Glinne (S). — The Dutch and French texts are not correct.

President. — I think only the French text was wrong.

Mr Glinne (S). — And the Dutch.

President. — We can make that point when we come to vote on your amendment. If you would pass the correct version in French to the Chair, then I can read it out when we come to vote on your amendment.

Mr Deschamps (EPP). — (FR) As has already been said, Madam President, Lech Walesa was to have spoken in Gdansk at the foot of the cross erected in memory of the martyrs of the Polish working class.

I say that he was to have spoken, because it is likely — unfortunately — that he has been prevented from so doing by the forces of repression. That fact alone explains, and ought to be sufficient proof for those who are humming and hawing, that we are speaking on behalf of freedom lovers everywhere in Europe.

To deny our unanimous solidarity with the Polish workers on the pretext that the fate of our own workers can be compared to the oppression they are subjected to is an insult to their dignity. The two cannot possibly be compared: Knowing that I regard him as a friend, I know that I can confidently express my hope to Mr Glinne that the Socialist Group will support the motion for a resolution that we have tabled. Faced with the latest developments in Poland, I trust that our Socialist friends will renounce their stand, be more realistic and join with us in voting.

For with this motion for a resolution, ladies and gentlemen, we, Members of the European Parliament and representatives of the peoples of Europe hope to show that we are not taken in by the enigmatic and disappointing speeches of General Jaruzelski. We want to show the Polish people this first. That is why we are asking the Council and Commission to do everything they can to make sure that our votes here today are somehow communicated to the Polish people. We also want to show it to the leaders who have imposed themselves on the population. As Mr Gawronski said just now, these people must understand that we cannot undertake any dialogue with them about changing our relations if they refuse to budge on their position.

We are not taken in by these enigmatic speeches because every sentence has been designed to give rise to multiple and contradictory interpretations. In addition, the speeches are disappointing because they are not what we expected and, above all, they are not what the Polish people expected.

A huge majority of the population was in fact expecting martial law to be lifted. This was affirmed before the Polish Diet — with great force and courage — by Mr Zawloski, the chairman of the Christian-Socialist Party 'stak', who alone — according to 'Le Monde' of 16 December — dared to oppose the government's plans, we are proud to say.

What did General Jaruzelski say on television? He said that it was war and that the war was continuing.

Deschamps

Both the speech and the measures he announced were disappointing, therefore, because the military Council is to be maintained, the state of emergency is to remain in force and the whole apparatus of repression against any opposition is to be stepped up.

We therefore have every right to have misgivings about the future, and need look no further than the example of Lech Walesa, who was supposed to have been set free, but we have seen just how long that lasted: Since they do not dare to eliminate him physically, they want to destroy him morally, which has been attempted with a number of other great Polish personalities in the world. In any case, nothing has been said or done to persuade us to amend the terms of the motion for resolutions which was adopted with an enormous majority in this Assembly on 16 September 1982.

Hence, the primary and main objective of today's motion for a resolution is to recall and confirm our motion for a resolution from Mr Deschamps' report dated 16 September 1982.

Only if the terms of this motion for a resolution are accepted and translated into action by the Polish leaders, ladies and gentlemen, will we be able to help initiate a dialogue between Polish society as a whole and the leaders who have been imposed on it, in order to achieve the necessary cooperation for the Polish economy to recover and once again allow the population to benefit from the social advances won in Gdansk.

(Applause)

Mr Segre (COM). — *(IT)* Madam President, there are three reasons why the Italian Communists will be voting in favour of the amendment tabled by Mr Glinne and Mr Hänsch of the Socialist Group, even though we are fully aware that it really ought to be updated — if this were possible under the Rules of Procedure — in the light of the news which has just come in.

First of all, we are in favour of the motion for a resolution because it reiterates the principles which prompted us a year ago to condemn in the strongest terms the introduction of martial law. This is a position we have held consistently over the last twelve months and it has not changed now. The second reason is that we are still determined to help the Polish people through the serious economic crisis their country is suffering and at the same time we want to see the lifting of all the measures designed to deny or restrict basic individual and collective freedom and we want to see the start of a process which could bring about genuine and effective dialogue between the main sectors of Polish society. Thirdly, this text is clearly ready to offer a positive assessment of all the facts which might indicate that the need for this has been recognized.

In the last few days we have perhaps seen the first signs, albeit somewhat hesitant and contradictory, that something is happening along these lines. Today, however, it is our duty and our wish to express in the strongest terms our concern at the new arrest of Lech Walesa, who has been prevented from speaking in Gdansk in front of the monument to the victims who died in 1970.

It is our hope and our request that Lech Walesa will be freed immediately, in spite of the formal charges which could be brought because of his failure to observe a summons from the state prosecutor. At the same time we want to make it absolutely clear that to our mind it would be a very bad thing if this new arrest were to extinguish the hesitant signs we have seen and make the situation worse in Poland and, indeed, throughout Europe.

(Applause)

Mr Gawronski (L). — *(IT)* Madam President, the situation of the Solidarity leader who has been arrested because he wanted to speak out illustrates better than anything else what Jaruzelski's idea of normalization means. The changes of the last few days are in appearance rather than in fact, and the process of democratic development which everyone in the country wants is still at a standstill. You cannot change martial law into civilian law at the stroke of a pen. The state of war, which has been formally suspended, remains an ominous threat in the hands of the military who can use it when, how and where they feel inclined to. Solidarity, as an active organization, is finished. But as a symbol and an idea it has entered into legend, and in Poland legends last longer than institutions and governments.

I also feel that people were wrong in thinking that a change in the top at the Kremlin might help Poland. So far there has been no hint to indicate a change in Soviet policy, either in general or in particular with regard to its allies in Eastern Europe. I am convinced that events in Poland in the last few weeks, including the release of Walesa, would have followed the same course if Brezhnev had still been in the Kremlin.

I therefore want to make it clear again that the blame for what is happening in Poland should not be laid at the door of the Warsaw authorities. It is Moscow which is subjecting the countries in Eastern Europe to its disastrous régime, affecting the economy as well as democracy. The blame here would become even more dramatic if the bold and productive investigations being carried out by Italian magistrates should confirm what many people suspected right from the outset, that the East's secret services were behind the attempt on the Pope's life.

It would be a good idea if this Parliament thought about the serious allegations which are now emerging

Gawronski

about the strategy of destabilization which some of the countries in Eastern Europe are pursuing. In view of this, we endorse the move by Mr Antoniozzi.

(Applause)

Mr Israël (EPD). — *(F)* Madam President, ladies and gentlemen, at this very moment in time — a little past three o'clock on 16 December 1982 — as I am speaking to you now, the people of Poland will be trying to meet in Gdansk to commemorate the anniversary of the shooting which marked the beginning of a new awareness in the Polish people in their fight for freedom.

I am extremely anxious, therefore, that Parliament should vote for this amendment tabled by the four majority groups. Reflections which one might be led to make concerning the basic situation lend themselves to extreme confusion. Have we not just found out today that the releasing of Walesa was by no means a guileless and straightforward act? General Jaruzelski's government was prompted by an obviously ulterior motive. They did not want Walesa to become a martyr, a prisoner in his own home under surveillance and silenced by necessity. So they released him but did not give him back his freedom. On the contrary, attempts were made to discredit him, it was said that he had criticized the Pope and Archbishop Glemp, that he had associated with prostitutes, that he had resorted to trickery, had got rich, and, above all, that he would no longer have any political credibility. So, once again, he is arrested. One of these days he will no doubt be released again and then arrested once again. That is how you make a mockery of true freedom in a country.

According to Poland's present leaders, the Polish people have given up their ambition to make free trade unions work. They no longer have aspirations about expressing their identity, they are indifferent to the economy of their country, their support for the Catholic church does not have any real basis and it is quite probable that the visit of the Pope — planned for next June — will be sufficient to calm the Polish crowds. Provided that no-one misbehaves between now and then! Nevertheless, the leaders who are saying this could not refrain from arresting Walesa once again.

Some will say that these roundabout methods are preferable to the blood bath which drowned the uprising in Budapest in 1956 or the armed intervention which took place in Czechoslovakia in 1968. That is quite true, but we must still acknowledge that the result is the same: a population which aspired to freedom has been successfully muzzled. I trust, ladies and gentlemen, that you do not interpret my words as another cold war speech, as that is by no means my intention.

What do the Polish people want? They are not undermining the geopolitical interests of the USSR, they are

not asking for their country to leave the Warsaw Pact. All they want is for the basic freedoms recognized in all civilized countries to be respected: the right to associate, to have free trade unions. I hope that Mr Glinne — for whom I have the greatest respect — will kindly pardon me for rejecting his amendment because I see here that it says that we must give Poland all the aid we can without any conditions. No, no, I say, there are some conditions that we have to respect. We in this Parliament maintain that freedom is inviolable.

(Applause)

Mrs Gaiotti De Biase (PPE). — *(IT)* Madam President, ladies and gentlemen, faced with this new show of self-defence from the régime in Poland — and I do not know whether to call it despicable or ridiculous — which has led to the arrest of Lech Walesa to stop him from speaking, Parliament's decision to confirm formally on this important date what it has already approved in earlier votes seems even more justified. If I may be allowed to say so, the refusal of the Socialist Group to have anything to do with this simply reflects an absurd attitude which I hope many Socialists will disown.

Today's anniversary occurs at a very ambiguous moment in the life of Poland. It is a moment which we cannot view without bitter bewilderment and deep concern. I admit, the fears of a deteriorating situation in central Europe did not materialize and there was no armed invasion and no bloody conflict. But there are no thanks to the régime for this. It is the result of the wisdom and self-control of the Polish people and the prudence and compassion of the Church. Both have shown how much store they set by peaceful action, in the sense that even in the most desperate circumstances you have to try to maintain a dialogue and demonstrate your own strength in a firm and determined fashion. The fact that the West has stood firm has also played a part.

The inability of the régime to acknowledge this realistic approach and to make positive use of it for a gradual return to a better situation has been spotlighted in the last few days by the inconsistency of its policy. On the one hand, there has been this unusual legal move to suspend the state of siege — which in a way is an acknowledgment of the peaceful strength and determination of the opposition — while on the other hand there has been a tightening up of the normal laws, which is a sign of the régime's uncertainty. The basic weakness of the régime in Poland, which is simply a military régime, is that no room has been found for any serious economic reform. What chance is there of getting round rigid and bureaucratic red tape in a country where there is an enormous gulf between the authorities and the people, where there is no support whatsoever, and where the army can rely only on the backing of those who ruled the roost before and whose opportunism and failings are well known?

Gaiotti De Biase

We hope that this motion for a resolution will be adopted by a large majority in this Parliament, in spite of the attempts to get us to disagree over something on which the people of Europe do not disagree. The purpose of this motion is to voice our heartfelt backing to the peaceful and determined desire for peace of the Polish people.

(Applause from the centre)

Mr Kirkos (COM). — (GR) Madam President, a year ago we condemned the imposition of martial law very strongly, and we stand by our position of solidarity with the Polish workers who are striving for socialist renewal.

I wanted to say that I find somewhat unconvincing the attitude of the Members on the right of the European Parliament — an attitude of one-sided support for human rights. We believe that despite the exceptionally difficult situation, which reflects not only internal problems but also international tension, there are now some signs — albeit inadequate, of moves towards relaxation. If it is true that Lech Walesa has been arrested again, and if he is going to remain under arrest, of course we condemn this categorically and call for his immediate release and that of the other political detainees. We shall vote for Mr Glinne's amendment, although I would like a few other points to be included in it. Whereas we categorically condemn the continuation of martial law, we would like a paragraph to be included calling for the lifting of the embargo imposed on trade with Poland because, in my view, the best assistance we could give would be a more positive approach to the problem currently besetting the Polish people.

Mr Narjes, Member of the Commission. — (DE) Madam President, the Commission is pleased that the European Parliament has taken up the subject of Poland again immediately following the introduction of the new measures.

The European Parliament is thus exercising its European watchdog role again. The Commission can only add to what it said yesterday in connection with the Council debate and on previous occasions on the subject of Poland. We shall examine and continue to check developments as hitherto in a circumspect and realistic manner without any attempt at mincing words or wishful thinking. We would otherwise all too easily fall for propaganda and the official version of events, especially since the situation is not absolutely clear.

Lech Walesa's new arrest is proof of Polish reality: the reality of force. At all events, even if we make a most reserved assessment of the situation, it is now clear to us that the suspension of martial law scheduled for 1 January 1983 is partially revocable and suspendible. We also find that the transitional state considered for

the period after 1 January 1983 evidently does not correspond to the *status quo ante* and does not meet the conditions formulated by the European institutions at the beginning of 1982.

As far as food aid is concerned, the Commission would like to thank the House for taking up this matter and expressing in its resolution the hope that the Council of Ministers would decide on this matter more quickly than hitherto. The Commission thanks Parliament for supporting its policy on Poland.

(Applause)

President. — The debate is closed.

Vote¹

Lesotho

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

- the motion for a resolution (Doc. 1-1019/82) by Mr Irmer and Mr Bangemann, on behalf of the Liberal and Democratic Group, on the situation in Lesotho
- the motion for a resolution (Doc. 1-1031/82) by Mr Bersani and Mr Barbi, on behalf of the Group of the European People's Party (Christian-Democratic Group), on the events in Lesotho
- motion for a resolution (Doc. 1-1036/82) by Mr Fanti and others, on behalf of the Communist and Allies Group, on the events in Lesotho.

Mr Irmer (L). — (DE) Madame President, I would like to recommend that the House adopt Amendment No 1, which Mr Hänsch, Mr Barbi, Mr Habsburg, Lord O'Hagan, Mr Segre, Mr Ferrero, Mrs Baduel Glorioso and I have tabled.

With her brutal raid on Maseru, the capital of the Kingdom of Lesotho, the Republic of South Africa has again violated the most elementary principles of international law, civilized behaviour and humanity.

It is slowly becoming impossible to think of anything new to say about South Africa. Raids of this type are on the increase and there is not the least justification for them. The international community must protest against such attacks in no uncertain terms, and the European Community in particular must do this when

¹ See Annex.

Irmer

the victim in question is a country like Lesotho, with which we are closely linked in friendship and by treaty. A pleasant country with a pleasant leadership and pleasant people, Lesotho is an ACP state and therefore deserves our deepest sympathy, and we must strongly protest against these attacks by the Republic of South Africa, which are inhuman and in violation of international law.

I would like to express my appreciation to the Commission for acting as quickly as it has. Today I am informed by the press that immediate aid has been earmarked for the victims of this raid. We approve of this and ask the Commission to check whether further funds can be provided in the future.

The political aspects of this issue, however, interest us as well. South Africa is becoming more and more isolated and is increasingly alienating even those who are generally prepared to speak in favour of a peaceful and balanced solution. The South Africans are making it difficult for all who would wish to mediate, who have tried to appreciate the situation of the white minority in South Africa and who try to prevent bloodshed in southern Africa. The Botha Government must be asked what is to be made of its promises to contribute towards détente and an improvement in the situation if it coldbloodedly launches this type of commando raid.

We are naturally fighting for a lost cause as well when demanding the withdrawal of the Cubans from Angola, when South Africa, with campaigns like this one against Lesotho, makes it absolutely clear that no neighbouring country can afford to expose itself without defence to the attacks of the South Africans. It is of course in the European Community's interests that the Cubans and other foreign troops should withdraw from Angola and other countries. However, South Africa herself destroys all prospects or hope of any development in this direction.

(Applause)

Mr Bersani (PPE). — *(IT)* Madam President, ladies and gentlemen, as Mr Irmer has reminded us, it has been agreed to combine the various motions for a resolution on a topic which has had a profound and serious effect on all the political groups.

Once again, we are faced with an act of aggression committed by a column of troops who crossed the border from South Africa and invaded a neighbouring country, occupying its capital for several hours, destroying buildings and killing people — some of them civilians — and thereby brutally flaunting its military superiority over a country which, amongst other things, has consistently advocated a peaceful solution to the urgent problems of southern Africa.

Some years ago we were the guests of the Republic of Lesotho, along with the members of the Joint Com-

mittee, and we had numerous occasions to speak to the President, Chief Jonathan, who is one of the most eminent men in this part of Africa, and we were able to listen to words of wisdom and calls for cooperation on the basis of the full recognition of the equality of every human being and respect for the activities and the fundamental rights of every nation.

The matter is all the more deplorable as, at the very moment these things were happening other events were taking place — concerned precisely with these serious problems of southern Africa, which are the cause of such concern to all of us, and for those countries which are associated with us through the various conventions we have signed — such as the talks in the Cape Verde Islands and other meetings which had raised hopes that a way could be opened, through measures adopted at home and further developed abroad, which would lead to a peaceful resolution of this situation.

What was the real reason for South African troops to invade Lesotho for the first time for so many years? Was the aim a purely practical one, intended to match domestic measures with action abroad? That idea cannot be ruled out; but such action would inevitably have an adverse effect on the political and — I may say — ethical view that we must take of this aggression; because recourse to measures of this kind, inspired not just by brutality but by speculative aims, can only give further weight to the condemnation of South Africa on which I believe a majority in this House is agreed.

We have always shared the view of those who assert without any hesitation that in this part of Africa, which includes almost a third of the African continent — the most populous part, the part that is richest in natural resources and has the best prospects — we must defend respect for the rights of each people and each nation, and who, at the same time, believe that, before the situation degenerates further, every possible avenue must be explored in order to arrive at a peaceful solution. Our view therefore coincides with Mr Irmer's view, in the sense that actions of this kind strike right at the heart of this common hope cherished by every man of good will and by every political organization, who intend to defend, together with firm commitment, the cause of justice and peace.

We firmly deplore, therefore, this unmotivated act of aggression committed by an extremely powerful state against a small, completely isolated state, led by a peace-loving government and by politicians who only recently expressed their desire for peace when they met us in Rome.

What is more, Lesotho is associated with the European Community. The President of its Parliament has been appointed President of the Joint Parliamentary Assembly. For all these reasons we not only deplore this aggression and express our solidarity with the govern-

Bersani

ment and the people of Lesotho, but also call upon the Council of Foreign Ministers meeting in political cooperation and the Commission to adopt appropriate measures to ensure that this solidarity is not confined to expressions of commitment and sympathy, but is also translated into concrete efforts to provide help and relief to the people of Lesotho.

(Applause)

Mrs Poirier (COM). — *(FR)* What is happening in southern Africa concerns us all, and not just because of our political commitments, but also because, as human beings we have consciences. I am, of course, convinced that Parliament, following the lead of the UNO General Assembly and the Brussels Council of the Ten will be unanimous in condemning South African aggression in Lesotho because it is quite simply indefensible, just as racism and apartheid are indefensible. What is more, current events make the second part of the mission of the ACP/EEC Consultative Assembly in southern Africa, and in particular in Lesotho, more urgent.

But if — as I hope — our condemnation of these events is outright and unambiguous, let us go beyond condemning in principle and start acting! It is clear that our ACP friends are waiting for action from us — albeit with a certain scepticism, I believe — and South Africa too is expecting us to take some action. It has to be said that up to now South Africa has had nothing to complain about where the EEC countries are concerned. Action means providing effective support for those who are fighting for their lives, their dignity and their independence; it also means recognizing that the only aggressor is South Africa. Calling willy-nilly on the countries of the region to exercise more restraint and condemning violence in general, as was done in the condemnation issued by the Council — a condemnation which in other ways we appreciate — is just not on. In the first place, Lesotho has always offered proof of its restraint in spite of its courage, as this small enclave of a country is hardly in a position to do otherwise. But that did not prevent subsequent events from occurring. Are democrats and blacks especially obliged to allow themselves to be deported, imprisoned and killed? No, they are not, they are correct in defending their rights as human beings, human rights in short, and the prisoner Nelson Mandela is also a symbol for us Europeans.

For all these reasons, we ought, in one fell swoop, to condemn the aggression of an ally and demand that mercy be shown to the nine young militants condemned to death, three of whom are about to be executed, which is just what we have asked for in our motion for a resolution. Surely there is no one in this House who could bear to think that he had not done everything he could to forestall this new crime which is imminent?

Finally, action means the total isolation of South Africa on all levels: economic, political and cultural. We know that American, British, French, German and Japanese multinationals have invested in South Africa on a massive scale. Even the IMF has shown the most unacceptable generosity to this country. Exchange tours of sportsmen are still taking place. What Lesotho, the peoples of southern Africa and the front-line countries need are practical deeds, the application of sanctions against an aggressor who is not just a mortal danger to the region but is also — let us not forget — a nuclear power with all that that represents for world peace.

(Applause)

Mr Gérard Fuchs (S). — *(FR)* Madam President, ladies and gentlemen, ten months ago a delegation from this Parliament flew to the front-line countries in southern Africa entrusted with a mission of enquiry, as decided on by the ACP/EEC Consultative Assembly.

The members of this delegation were representative of all the Groups in this House and I am quite sure that when they left their opinions on the type of situation prevailing in the region were quite different. At the end of their trip, however, and particularly after visiting the south of Angola — a more than moving experience — they were unanimous in acknowledging and condemning 'the economic and political pressures exerted by South Africa on Zimbabwe and the subversive activities of the former in the latter country' and 'the acts of aggression perpetrated by the South African armed forces against Angola'.

Today, yet again, we are confronted with an unacceptable act of aggression perpetrated by Pretoria against one of its smallest neighbours, Lesotho, which is linked to our European Community through the Lomé Convention. What happened on 9 December is an inadmissible violation of frontiers and of the integrity of a sovereign State. Such an act — Mr Irmer — far from obtaining the withdrawal of Cuban troops from the south of Africa is most likely, on the contrary, to encourage the stepping up of their presence in other places. This act was also a criminal and derisory attempt to thwart by violent means the absolutely legitimate aspirations of the non-white peoples of South Africa, by which I mean their desire to have their right to equality and dignity recognized, which is the basic right of all men everywhere.

I trust, ladies and gentlemen, that we will be unanimous in our condemnation of this aggression and in voting on the joint text which is finally submitted to us. I hope that the new turn of dramatic events with which we are confronted today will finally convince those Members of this Parliament who are still hesitating of the need to adopt a firm stance when dealing with Pretoria. In particular, I hope that it will persuade them to support the resolution recently adopted in

Fuchs

Rome by the ACP/EEC Consultative Assembly, which is designed to implement a policy of increased economic pressure on South Africa so that apartheid can be eliminated.

Sad to say, there are a number of forms of totalitarianism in our world today, Madam President, ladies and gentlemen. However, so far as I am aware, there has only ever been one State which has clearly laid down in its constitution a discrimination based on racial grounds. That represents a challenge to which it is our duty as Europeans representing human rights to react with all the energy and determination of which we are — I trust — capable.

Lord O'Hagan (ED). — Madam President, I often wonder whether the tedious process of attempting to agree joint texts between the different groups of this Parliament is worthwhile, even for emergency motions. Never more so than today. Would it not have been splendid if we in this Parliament had spoken with a single voice to the people of Poland on the day when Lech Walesa was rearrested, giving them comfort in their hour of need and reassuring them that we were still behind them. But we didn't do so, and all because the Socialist Group refused even to contemplate the idea of discussing a joint text in private negotiation. Now, Madam President, those of us on this side of the House have feelings about Africa and southern Africa which do not always match the feelings of people on the other side of the House. Mr Habsburg and I joined forces to draw up a joint text which even Mr Boyes can read and sympathise with, I expect. We were prepared to do so. So, Madam President, though we are getting onto the season of goodwill, I serve notice that we mustn't have any more selective morality in composing joint texts on major international problems.

Now Lesotho is a country to which we in this group have a special additional loyalty. It is an ACP member, but it is also a Commonwealth state. We deplore any activities in southern Africa which have a destabilizing effect on this country as well as on all the other problems in that area, particularly Namibia. Another twist to the spiral of violence has been turned. In this group we are sad about it. We add our voice. We hope that a vote for this motion, agreed between all the groups united towards a common objective, will lend our voice in this Parliament to the call for stability and freedom in the whole of southern Africa.

Mr d'Ormesson (EPP). — (FR) Madam President, I just want to correct an erroneous remark made in good faith by my colleague Mr Irmer. At the present time, the Cubans are not withdrawing from Angola. There are 23 000 of them there, including 3 000 who have arrived just recently. In addition, they have 1 200 Russian, East German and Romanian military advisers; they support the NPLA forces of Mr Dos Santos,

consisting of 70 000 men. They are opposed by the 30 000 men in the Unita forces of Jonas Savimbi, leader of Angola's heroic liberation movement. And since, like myself, you would like to see a poll on self-determination in Namibia, it would only be right to ask for the same thing for Angola.

(Applause)

Mr Pisani, Member of the Commission. — (FR) I do not wish to enter into a debate with Mr d'Ormesson. Nevertheless, it is no doubt useful for us to ask ourselves which came first — the chicken or the egg? Why are there Cubans in southern Africa, if not because of the systematic aggression carried out by South Africa?

If we did have any doubts about this subject, the events which took place in Lesotho on 9 December should have been sufficient proof. There are no Cubans in Lesotho. Lesotho has never committed any acts of aggression against South Africa. Calm and reason prevailed in Lesotho, which was a country only asking to be allowed to live in peace in a highly difficult environment, and yet this country was attacked! Through its leading bodies, the European Community voiced its disapproval, just as it is always doing. The Community has shown its disapproval over apartheid. The Commission has given proof of the Community's solidarity with the people of Lesotho by voting to grant emergency aid in the hours immediately following the events.

With regard to the future of the region evoked in the draft amendment, the Commission and Community are taking an active part in developing Sadek, the Southern African Commission, whose precise purpose is to render southern Africa economically independent of South Africa, so that political balance can gradually be instituted. There are a number of ways in which we can intervene in these fields. Our best method is the economic one. We are devoting all the efforts we can to this. In short, Madam President, we consider this motion for a resolution highly opportune.

Mr Irmer (L). — (DE) Allow me to make a personal comment. From what Mr Fuchs and Mr d'Ormesson have said, I am sorry to have to conclude that the part of my speech dealing with the Cubans in Angola was not reflected accurately in the French translation. I would like to correct this briefly because both colleagues have addressed me on points I am supposed to have made but neither of which was correct.

Mr d'Ormesson, I did not say that the Cubans were about to leave Angola. And Mr Fuchs, I clearly said that the action of the South Africans in Lesotho was of no help in getting the Cubans to withdraw from Angola or getting the Angolans to ask the Cubans to leave their country.

President. — The debate is closed.

Vote¹

Surinam

President. — The next item is a motion for resolution (Doc. No 1-1030/82) by Mr Penders and others on behalf of the Group of the European People's Party (CD Group) on the situation in Surinam.

Mr Penders (PPE). — (NL) Madam President, we have tabled this urgent motion for a resolution on the situation in Surinam because we hope that a pronouncement by the European Parliament will have some effect on those wielding power in Paramaribo, and will serve as some encouragement to the people of Surinam as they wait tensely, nervously and anxiously to see what the future will hold. What, for instance, is the role of Cuba in all this? And is it not scandalous that the Soviet Government has given its backing to the arguments advanced by the military dictators? It is important that these people should be aware of the fact that there is widespread condemnation throughout Europe of the arbitrary executions which have taken place in Surinam — not only in the old colonial motherland, you will note, but in all the Member States of the European Community.

I was very pleased to hear the Council of Ministers issue a condemnation at the beginning of this week of what has been going on in Surinam and give an assurance that they would investigate what means existed for freezing Community development aid to Surinam.

Let me remind you that Surinam is a signatory to the Lomé Convention, which is one good reason why the European Parliament cannot simply ignore what is happening there. I realize that the links between the Lomé Convention and the question of human rights are complicated, which explains why the motion for a resolution is couched in very cautious terms on this point. My own preference would be for development aid to be suspended, as the Dutch Government has just done, but I recognize that we do have contractual obligations which cannot be made light of.

But, Madam President, the peoples of Europe are enraged at violations of human rights, and in the long run, that is bound to have some effect on the willingness of the European taxpayers to set aside money for development aid at a time of crisis. I must say that we Dutch were pleased at the willingness of the European Parliament to give high priority to the Surinam resolu-

tion, given that we are inevitably more emotionally concerned that anyone else about the situation in Surinam. We appreciate the support we have received from Members from the other Member States, and we shall of course show our appreciation when we are faced with an issue which is of particular interest to some other Member State.

There is very little I have to say about the text of the motion for a resolution, which really speaks for itself. The executions are an entirely new element, although the situation in Surinam has been deteriorating for a long time. Parliamentary democracy was done away with some time ago, but so far there had been very little bloodshed. There was a certain amount of inherent tolerance in Surinam society, which is perhaps one of the few positive contributions the Dutch colonial rulers made to that country.

As I said before, the point regarding the possible suspension of development aid has deliberately been couched in cautious terms, but I feel that Mr Cohen's amendment is nonetheless an improvement on the original text.

Finally, I should like to draw your attention to the final few words of the motion for a resolution, which calls for the resolution to be forwarded to the Dutch Parliament, which is of course itself — indeed, this very day — discussing this issue as a matter of urgency.

Mr Cohen (S). — (NL) Madam President, I should like to state on behalf of the Socialist Group that we stand four-square behind the motion for a resolution tabled by Mr Penders and the other members of his party. Surinam is a small country, with only 200 000 inhabitants and a small capital city called Paramaribo. For some time, the country has been forced to suffer an administration which may reasonably be supposed to be not in line with the wishes of a majority of the population there. So far, though — as Mr Penders said just now — there has been no real suppression, no excesses, no murdering or killing. Now, though, it has started. For the first time in the history of Surinam, 15 people have been court-martialed and executed, and that of course is something we cannot simply turn a blind eye to, especially as Surinam is a signatory to the Lomé Convention.

The amendment I have tabled — and I gather from what Mr Penders said just now that he is prepared to accept it — to the Christian-Democratic Group's motion for a resolution is aimed at giving the Commission, in the person of Mr Pisani, the chance to say that the resolution is acceptable in its amended form. On previous occasions, the Commission has said that similar resolutions on suspending development aid payments to one of the Lomé countries was not feasible from the Commission's point of view. I take the point; after all, the Lomé Convention unfortunately has very

¹ See Annex.

Cohen

little to say about human rights — and at the time negotiations were going on, we tried in vain to get a clause to this effect included. I believe, though, that with the amendment I have tabled, the Commission has no alternative but to agree to implement the amended resolution, and I believe that we shall then have a better resolution than if we were to adopt the original version, in which case I am afraid the Commission would have said that it could not be implemented. That, Madam President, is why I have tabled my amendment. Should the Commission say that even my amendment is unacceptable, then I shall withdraw it.

The current situation in Surinam is intolerable. What is now going on in a country which is a signatory to the Lomé Convention, but which in some respects is further developed than other Lomé countries, is unacceptable. I therefore believe, Madam President — and I should like once again to appeal to the Commission — that we have no alternative but to adopt this resolution so that the powers-that-be in Paramaribo are made aware of what the European Parliament thinks about the situation.

Mr Nord (L). — (NL) Madam President, like the previous two speakers, I come from a country which can look back over centuries of close ties with Surinam, which makes it all the more grievous and bitter for me to have to speak about events in that country which have aroused dismay, indignation and rage not only in us, but everywhere. For a long time now, we have been worried about what has been going on in Surinam, but we had always pinned our hopes on the chance of things taking a turn for the better. But unfortunately it was not to be. Things went from bad to worse. Surinam is now characterized by executions, an intimidated population and all the suppression we know only too well from all the countries — and there are alas far too many of them — ruled by a despotic dictatorship.

Madam President, my own government, which has a bilateral agreement with Surinam, has decided to suspend development aid to that country for as long as the current situation lasts. Mr Penders's motion for a resolution proposes that the Community should consider taking the same line. The fact is, Madam President, that the European Community has always, with regard to development aid, adopted a neutral stance *vis-à-vis* the political regime in the recipient country. I think that is the correct policy to adopt, but neutrality *vis-à-vis* the political ideology espoused by this or that government does not mean that we should always be neutral in the face of serious violations of human rights. That is why the motion for a resolution asks — rightly, in our opinion — how far we can go in considering and implementing a suspension of Community aid. We support the motion for a resolution, and I should very much like to hear from the Commission how it sees the present situation in Surinam and what

it thinks can be done, given that the Commission is responsible for the implementation of the Lomé Convention.

Mr De Goede (NI). — (NL) Madam President, when Surinam gained its independence in 1975, it had a democratic system of government with political parties, a directly elected parliament, its own government, a constitutional President and a constitutional law set up by the people of Surinam themselves. At no time did the Netherlands have any objection to the process of independence. In 1975 an agreement was concluded between the two countries, whereby all the money owed by Surinam to the Netherlands — 500 million guilders — was remitted in full, in addition to which 3 000 million guilders in financial assistance was promised over a period of ten years, an unprecedentedly large amount in everyone's opinion.

In 1980, however, a group of dissatisfied members of the armed forces made a bid for power. The President, the government and the parliament were all done away with, but despite these developments, neither the Netherlands nor the European Community have cut off the flow of aid. When, at the time, I asked the Commission about this matter, the reply was that there was still a hope of a return to normal democratic conditions. That hope has not been fulfilled, and now the situation had deteriorated drastically. The military regime has tightened its grip on Surinam society; a second and a third head of state have disappeared in the meantime, along with various governments composed of civilians and members of the armed forces. A number of reports indicate that, with the assistance of Spanish-speaking foreign mercenaries — probably Cubans — the regime has embarked on the violent suppression of political opponents. At any rate, there can be no doubt that at least 15 — and possibly between 30 and 40 — prominent citizens of Surinam have been killed in cold blood. These murders have met with abhorrence everywhere, including the ten governments of the European Community.

The Netherlands has suspended all aid, and the United States has followed suit. We now demand that the Commission should do the same. A vigorous protest, together with the suspension of all development aid, would be the right response to these appalling events in a Lomé country. Human rights are universally valid. If we are concerned about what is going on in Poland, Afghanistan and Lesotho, we should at least be just as concerned about Surinam, a country with which the Community has ties via the Lomé Convention. We shall be giving our wholehearted support to Mr Penders's motion for a resolution.

Mr Pisani, Member of the Commission. — (FR) The Commission more than shares the feelings expressed by the Council in a communiqué which reads as follows:

Pisani

The Foreign Ministers of the Ten have expressed deep indignation at recent developments in Surinam. They are particularly shocked at the summary execution of a number of individuals, including journalists, lawyers and trade union leaders. They appeal to the present leaders of Surinam to respect human rights and to re-establish a truly democratic regime as soon as possible.

There are no doubts about our basic view of the situation, and believe me when I say that I share exactly your feelings regarding these events. I wholeheartedly endorse the action taken individually by Member States who have cut off the aid they were giving to Surinam, but I would point out that the Lomé Convention has established very special links between the European Economic Community and the ACP countries which it would be extremely difficult to break unilaterally. If we were to adopt the course of action suggested here today, we could well be jeopardizing the whole system. Nevertheless, it is our solemn duty to inform countries which are tempted or might be tempted to resort to such acts of violence that they are highly mistaken if they believe that the Community will go on turning a blind eye for ever to these situations. There is no way that the Community could justify continuing to give aid to States perpetrating such manifest attacks against humanity.

(Applause)

Mr Cohen (S). — (NL) Madam President, having heard Mr Pisani's statement, I withdraw my amendment.

President. — The debate is closed.

Vote¹

Lebanon

President. — The next item is the motion for a resolution (Doc. 1-1021/82), by Mr Donnez, on behalf of the Liberal and Democratic Group, on reinforcing the multinational force in the Lebanon.

Mr Beyer de Ryke (L). — (FR) As Mr Donnez is unable to be here today, Madam President, he asked me to present the motion for a resolution in his stead. Although standing in for a colleague is always a rather risky business, I will make every effort to convey to you his thoughts while at the same time adding some of my own.

When I say that I should like to add some of my own, I mean that I want to make some sort of response to Mr Donnez's motion for a resolution — which I support — by stating the attitude of my own country — Belgium — to his request for a reinforcement of the multinational force with new contingents to be provided, preferably, by Belgium, the Federal Republic of Germany and the United Kingdom.

I concur with Mr Donnez's request, but must add that some people will probably express surprise at our thinking about increasing foreign forces in Lebanon while, at the same time, we are asking for foreign forces to withdraw from that country. This only seems paradoxical, in fact. Why? Quite simply, the forces which we want to send there are completely foreign to the region, and therefore totally unfamiliar with the passions and interests which are tearing it apart. For that reason, these forces can exercise restraint on the people there and promote peace. That is why I am in wholehearted agreement with my colleague on this point. At the same time, I believe that we must insist on the fact that these forces will only be able to act in cooperation with the Lebanese. However, I feel I must point out — though I do so with regret — that I sometimes get the impression that Lebanon's main enemy is the country itself. Of course we want Lebanon to be free and to be reunited, but the Lebanese must understand that *they* must reunite Lebanon. That is the first point I wanted to make.

Where my second point is concerned — namely, Belgium's contribution — I am afraid that I am going to have to resort to the somewhat dry language of figures. You all know that my country is experiencing grave financial problems — extremely grave, unfortunately. Now, in order to meet Lebanon's request by sending a battalion and the necessary infrastructure, Belgium would have to be prepared to advance 500 million francs every three months, making 2 000 million a year in total. We are in an extremely tight corner financially at the moment and it is just not possible for us right now to make such a great financial sacrifice, it would appear. That is the state of affairs as expressed in the crude language of figures and I am afraid there we find ourselves faced with a major problem. We are at present negotiating with our allies who, being perfectly aware of Belgium's economic difficulties, do not at all take the attitude that we are just trying to shirk our responsibilities.

I really do hope that a solution can be found to this problem because I believe that it is vital and necessary for us to participate — even in a more modest way — in these efforts. How can we possibly claim that we are Europeans who are wishing to defend a European policy if, at the moment they ask us to stand up and be counted, we reply that we cannot take part. With all my heart I hope that we will be able to respond to this request and cooperate in this grand plan for peace in Lebanon because we cannot build anything if we are impotent and helpless and we cannot allow this strife-

¹ See Annex.

Beyer de Ryke

torn country to be ruined because peace would be destroyed with it.

We are all of us concerned — I repeat, not just one country — but all of us.

Mr Hänsch (S). — (DE) Madam President, ladies and gentlemen, my speech will consist of four sentences. First, the Socialist Group backs the joint amendment. Second, the Socialist Group backs in particular the call for reinforcement of the multinational troops in the Lebanon because this meets the wishes of the legitimate authorities and large sections of the Lebanese people. Third, this is the third Lebanon debate and Lebanon resolution within a period of six months and therefore, fourth, with regard to the complaint about the sufferings of the Lebanese people and the conditions for restoration of domestic peace and Lebanese sovereignty, I stand by the declaration I made on behalf of the Socialist Group in the previous two Lebanon debates.

Mr d'Ormesson (PPE). — (FR) The motion for a resolution before us takes up again the idea of reinforcing an allied multi-national force, an idea which I had the honour of defending on behalf of the European People's Party during Parliament's July session. I am all the more ready to applaud the initiative of my friend and colleague, Mr Donnez, since its acceptance would bring the most crucial political advantages: peace in Lebanon, a demonstration of European will, a drawing together of those Arab states which advocate peace and freedom and a fostering of the conditions for Parliamentary elections — which have not taken place for ten years now — in the only country in the Middle East where Christians and Muslims are equally divided.

As we all know, three different foreign armed forces are confronting each other in Lebanon: the Syrian army, the PLO and the Israeli army. They are sustaining a climate of confrontation in which the passions aroused by seven years of civil war imported from abroad can flare up again at any moment. Observers have said that 30 000 men would be needed to carry out the peaceful evacuation of all foreign troops stationed in Lebanon and the disarmament of all those who do not belong to the forces of order of the Lebanese government but who carry weapons.

The armies of the ten Community countries deploy a total force of about two million men. What is more, there are times in a country's life, Mr Beyer de Ryke, when monetary problems have to take a back seat!

We should all consider carefully the positive influence that the Community could exercise in the Middle East if it managed to reestablish peace in Lebanon, which is a key to peace in this whole region. Secondly, we could propose a bilateral treaty to help put this coun-

try back on its feet again. Those on the Mashrek delegation should be at pains not to equate Syria with Lebanon, the occupier with the occupied.

It has been said that 1983 will be a year in which war and peace are hanging in the balance. Let us try to play a decisive role in achieving peace in the Middle East and in so doing show the entire world that there can be no happiness where there is no freedom and no freedom where there is no courage.

Mr Junot (DEP). — (FR) I will limit my remarks, Madam President, as my friend Olivier d'Ormesson has just made most of the points that I wanted to put to this House as an explanation of why our Group will be backing Mr Donnez's proposal.

Lebanon means so much to us that it has become a symbol for that peace in the Mediterranean for which we are all hoping. As Olivier d'Ormesson so rightly emphasized just now, the presence of a force from Europe — and I should like it to be a Community force — could also serve as a symbol. In Lebanon, it would act as an antidote to the foreign powers whose presence creates civil war wherever they happen to be and whose presence cannot be justified in southern Africa any more than anywhere else, even if my remarks do offend Mr Pisani. It is vital that we all make an effort to ensure that the European peace forces help Lebanon to regain its unity, peace and freedom, which will only be won if the foreign forces which are presently occupying its territory for a variety of purposes withdraw.

President. — The debate is closed.

Vote¹

Afghanistan

President. — The next item is the motion for a resolution (Doc. 1-1026/82), by Mr Van Miert and Mr Glinne, on behalf of the Socialist Group, on Afghanistan.

Mr Van Miert (S). — (NL) Madam President, ladies and gentlemen, while conceding that this motion for a resolution is of mainly symbolical significance, I think it essential that this House should express its opinion once more quite clearly and categorically on this issue.

The immediate background to the motion for a resolution is that Soviet troops have now been occupying

¹ See Annex.

Van Miert

Afghanistan for three years, and this third anniversary is very much the product of the totalitarian policy and a reflection of the cynical nature of a major super-power. I hope that a unanimous vote on the part of this House will show that we are not prepared to forget what has happened or to lose heart. We must not forget that what is going on here is a permanent violation of international law as regards the right to self-determination and the respect for a country's sovereignty. We must not forget that the current powers-that-be are mere Quislings like Jaruzelski in Poland and Pinochet in Chile. We must not forget that a large proportion of the Afghan population are courageously resisting the invaders and their henchmen, and are making life difficult for the occupying forces. We have a duty not to forget that we must support those people, along with the hundreds of thousands of refugees who have been forced to leave their country because of the conflict. Finally, and most important of all, we must not forget that it is only through persistence that we shall be able to make it plain to the Soviet Union that a solution can only be found by the complete withdrawal of Soviet troops and the right of Afghanistan to go its own way as an independent state.

I was much encouraged when, a few days ago, a large majority of the member countries of the United Nations drew attention once again to this matter, and I believe it would do this House great credit, Madam President, if we were to take the opportunity of this third anniversary to draw attention ourselves to this subject that we have referred to so often in the past.

(Applause)

Mr Klepsch (PPE). — *(DE)* Madam President, ladies and gentlemen, my group gives its full backing to the amendment tabled by our colleagues Van Miert and Glinne on behalf of the Socialist Group.

We are very much aware that this House is one of the first and few to keep a constant track of what has happened and is happening in Afghanistan. We are also aware that the disclosures made in this resolution fully reflect the facts. I would like to take this opportunity to remind you that it is to Parliament's credit that the American Congress created Afghanistan Day on the recommendation of the American President as a reminder that a nation like the Afghans is being oppressed by a world power systematically applying all the means of modern warfare.

I have no wish to hide our deep concern at the use of chemical and biological weapons in Afghanistan according to the constant reports of international institutions and fact-finding committees. I underscore everything Mr Van Miert has said about the puppet regime in Afghanistan, which in actual fact cannot rely on the support of the population but only on that of the Red Army's bayonets, and we are also aware that an out-and-out campaign of suppression is being waged there against a freedom-loving people.

Let us be aware of the uninterrupted flow of refugees in distress which Afghanistan's neighbours have to absorb. I therefore welcome, together with my entire group, the idea that we should make a renewed appeal to those responsible to put an end to this intolerable situation. We all admire the heroic struggle of this small Afghan nation, which is resisting a world power so successfully, no doubt owing to geographical factors, too.

If the Soviet Union is prepared to steer a course towards a political solution to the Afghanistan problem, as hoped by those tabling the motion, this will meet with our approval. However, we must not forget that only by adopting a clear position can we bring about this type of development. If the party concerned is not warned, this injustice will continue. We therefore believe that the United Nations would be well advised to continue its argument with the Soviet Union on this question. The resolution will receive the full approval of my group.

Mr Pisani, Member of the Commission. — *(FR)* The Commission shares the feelings which inspired the authors of the motion for a resolution and trusts that Parliament will adopt the motion before it.

Right from the start, all the Community institutions came out with a straightforward condemnation of the problems caused by the presence of foreign troops in Afghanistan. Just recently, on 3 and 4 December, the European Council expressed the view point that a new line taken by the Russians could make a significant contribution to improving international relations in general, and East-West relations in particular, if the Russians were to re-examine their position on the question of Afghanistan. The Commission is also pleased with the stances adopted recently in the United Nations.

The insupportable political situation has given rise to a concrete problem, towards the solution of which the European Economic Community has contributed by giving aid to refugees from Afghanistan. Our contribution amounted to 14 million ECU in 1980 and 22 million, 500 000 ECU in 1982. This goes to show that we are keeping a watchful eye on the problems which are arising — particularly for Pakistan — but we cannot help being alarmed at our inadequacy when we look at the figures showing just how many refugees there are in Pakistan. In February 1981 there were 1 700 000, in June 1982 2 200 000, and by October 1982 the number had risen to 2 300 000, which just goes to show that the problem is growing all the time and taking on dimensions which pose tremendous humanitarian, economic and political problems. The Commission is committed to monitoring events with all the attention they deserve and will take the initiatives it deems useful for the Community to help solve this problem within the limitations of its resources.

(Applause)

President. — The debate is closed.

Vote¹

Fisheries

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

- the motion for a resolution (Doc. 1-1011/82/corr.) by Mrs Ewing, on behalf of the Group of European Progressive Democrats, on the urgent need to conclude a satisfactory agreement on a common fisheries policy
- the motion for a resolution (Doc. 1-1024/82) by Mrs Pery and others on the need to conclude an agreement on a common fisheries policy by 31 December 1982.

Mrs Ewing (DEP). — First of all, may I say that I support the resolution lodged by Mrs Pery as well as the one lodged by myself on behalf of my group. I also would like to say at the outset that I support Amendments 1, 3 and 4 by Mrs Le Roux and others, but that I do not support Amendment No 2 for reasons that I will bring out in my remarks.

This is clearly an urgent matter. Can I just devote a moment to the background: we received statements today of the words that were to be said on behalf of the Danish Presidency and I would just like to quote two things which we heard with our own ears. The Danish President was explaining that negotiations on the common fisheries policy have been going on for years but have been stepped up considerably in recent months. They have been difficult but no final result has been achieved. The second quote is a statement by Mr Henning Christophersen, who takes away the veil from our eyes and lets us peep into the horrors of a failure to reach agreement on a fishing policy, by asking us to look at what measures will be taken if no agreement proves possible from 1 January.

Now there have been statements in the House of Commons by Conservative MPs and others, urging the Prime Minister of the United Kingdom to send gunboats. This shows how serious the situation is. It is clearly urgent, it is clearly vital to the Community, and it is clearly relevant. It is really disgraceful that at least five Fisheries Councils were cancelled under previous Presidencies. That was the degree of urgency the Council gave the matter. Obviously they have given it urgency lately. But we have seen cancellation after cancellation, when we know that the 1 January is coming and when we have heard a statement to the effect that people from one State can fish to the

beaches of another. I am disappointed that my Conservative colleagues from the United Kingdom opposed urgency this month as they also did last month. As people who defend the rights of Parliament here it seems extraordinary that they should take the view that we have to defer to the Council and its negotiations, particularly when their own members are making these very serious remarks about the urgency of the situation. They seem to be running away from the problem.

This Parliament has passed regional policy preference principles, not only once but twice. We must recognize the existence in this Community of communities which are solely dependent upon fishing — with no hinterland, no agriculture, no industry. I find it amazing that anyone would pass a resolution against the majority of the Parliament and that is why I reject this amendment. I should like to end by saying that of course there are difficulties and injustices all around, but we know from the Commission itself that the catching capacity of Denmark almost doubled between 1970 and 1980, while every other Member State drastically reduced its capacity. It is Denmark's unwillingness to make an agreement which we in Britain deplore, because it has torn apart the Scottish Fishing Federation. They know it is not a just settlement for us. Yet despite its own increase in capacity, Denmark still dares to refuse an agreement. The situation is urgent. It cannot be more urgent. It is not good for the Community. We must pass this resolution.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mr Woltjer (PPE). — (NL) Madam President, as co-author of Mrs Pery's motion for a resolution on the need to conclude an agreement on a common fisheries policy by 31 December 1982, I should like to fill in some of the background to what this urgent motion for a resolution is setting out to achieve.

I agree with what Mrs Ewing said just now on the absolute urgency and the need to reach agreement on a common fisheries policy. So far, we have contented ourselves with temporary measures designed at least to give the fishermen of Europe some kind of livelihood. The result, though, has been an element of uncertainty which may well get worse if we fail to reach an agreement by 31 December.

Madam President, my group and this House have said on a number of occasions what we think about a common fisheries policy and what its scope should extend to. For that reason, we have deliberately refrained

¹ See Annex.

Woltjer

from commenting over recent months and have adopted a very low profile so as to give the Council the chance to reach an agreement. The fact that we have now decided to table this motion for a resolution is quite simply because we want to ask the Council once again in all clarity to reach a decision. By keeping quiet on this subject for a number of months, the European Parliament has by no means been neglecting its duties. On the contrary, by not commenting, we have tried — and in this respect I cannot go along with Mrs Ewing — to influence the situation in such a way as to arrive at a policy after all. It now looks as though we may fail in this aim, which explains why this motion for a resolution is so urgent. We are not concerned for the present about the nature of the agreement — we have been into all the details in other resolutions in the past. Our sole aim, as the old year draws to a close, is that the European Parliament should make the point once again that we need a common fisheries policy. We should stress that such a policy is of major importance to all Member States — not only to the nine Member States which have reached agreement, but also to Denmark. Should it come to clashes, the fisheries policy will be in tatters, and the whole thing will be played out at the expense of the fishermen, in which case the Danish fishermen too will have to face all the same problems. That is why this matter is so urgent, and it is why we recommend that this House should treat the matter accordingly.

Mr Gautier (S). — (DE) Madam President, ladies and gentlemen, further to what my colleague, Eisso Woltjer, has said, I would like to say on behalf of my group that we fervently hope that the Council will reach an agreement on 21 December, in order among other things, to prevent a somewhat unclear legal position from developing on 1 January 1983, when the Treaty of Accession of Great Britain and other countries to the European Community expires with the accompanying transitory provisions for fisheries. We hope the Council achieves this on the 21st because we are afraid that a very difficult situation will otherwise ensue on 1 January. But this is not the only reason why we would like the Council to reach an agreement next week: it is also in order to give the European Community's fishermen new confidence in their future.

The situation is serious. I would like to mention a region in the north of Germany where it is very important that investments should again be made in the fisheries sector in the future, but for this to happen, there is a need for confidence in the future. It is important to know what sort of investment and catch will actually be possible in the future. This is also a reason why we hope the Council will reach a decision next week.

Now that the European Community has laid down rules for many areas — I will simply mention technical measures and agreements with non-member countries

— quotas and an access ruling still remain to be dealt with. We are convinced that, in the wake of the many impulses from Parliament and the discussions within the Council in which nine countries managed to agree, it must be possible to achieve a breakthrough next week and arrive at a quota agreement and access ruling.

However, we would like to call upon the Council not to legalize any situation which it is convinced was illegal in the past. We therefore ask it not to declare the illegal fishing of the past legal by setting up reference periods and reference quotas. This I believe is a decision of principle which the Council must take.

Now to the existing motions for resolutions: we naturally back our own motion. We would like to say to Mrs Ewing that we fully appreciate the ideas behind her motion and would give it our earnest support but we cannot vote for paragraph 2 because a certain group of problems would then be treated separately from the entire fisheries question, and in the urgency of this matter it is important to call upon the Council to take a decision next week. We therefore do not wish to reemphasize what separate aspects have to be solved in the fisheries agreement. We have already done this in the numerous reports of the past few years. The Socialist Group will therefore vote against paragraph 2 of Mrs Ewing's motion for a resolution.

Mr Clinton (PPE). — We should be grateful to Mrs Ewing and Mrs Pery for putting down these urgent motions.

Why are we here this evening, so close to Christmas, having this discussion? The reason, of course, is that some of us at least are concerned about the fact that, after a period of approximately ten years of negotiation, discussion and argument, the Council of Ministers has failed to reach agreement on a common policy for fisheries.

The Ministers themselves may not be suffering because of this deplorable failure, but Europe's fishermen are suffering and their industry, as I see it, is in serious danger. The reputation of the Community is also suffering and this should be a matter of concern to all of us. If ever anything was suitable for a common policy, surely it is fisheries. We have no customs posts at sea; we cannot oblige mackerel or herring to swim within Irish territorial waters only.

It is not only according to the Treaty obligations, but also from a technical, practical and biological point of view that Member States of the Community must work together to maintain the Community's fisheries resources.

There can be absolutely no doubt that any Member State which does not understand this is ignoring the long-term responsibilities that we have as individual nations and collectively as a Community.

Clinton

We have spent at least six years fighting over the share-out of the fisheries pie.

In this time the fisheries industry has been left, largely by itself, to cope with fundamental restructuring, with the effects of a serious recession, with inflation-priced energy, as well as grave political uncertainty. And we know too that during the same period the stocks of various species have been dwindling.

With the exception of the Danish delegation, the Council of Ministers has agreed to a package. Although in my view far too many compromises were made by the then Irish Minister, it will at least be the first step towards coordinating Community action and Community fisheries conservation and management.

Without a coordinated Community fisheries management system, which still has to be developed, the future of our fisheries industries and stocks is in doubt.

Let us urge the Council of Ministers to take this first step. The President-in-Office of the present Council of Ministers came to a meeting of the Committee on Agriculture a few weeks ago and tried to explain why Denmark could not agree to a package which it found unacceptable and then be obliged to stay with it for 20 years.

The Danes have an annual catch of about two million tonnes. Ireland, a very much bigger country, and an island country as well, has a catch of about 150 000 tonnes, and we are expected to accept this and stay with it for 20 years. We talk about traditional rights as if they were sacred, when we know that most of these rights are the result of the successful plundering and exploitation of the weak by the strong. And so we begin to wonder and to have second thoughts: for if this Community is ever to succeed it can only do so on the basis of fair play. Talk of convergence is nonsense unless we give the weak an opportunity at least to progress towards the level of the strong.

Mr Battersby (ED). — Madam President, my group welcomes and fully supports the excellent, balanced, constructive and non-partisan motion for a resolution by Mrs Pery and her group. However, we have strong reservations about supporting the motion for a resolution by Mrs Ewing in its totality. Yesterday my group voted against urgency on this matter, because we feared that the careful, patient work carried out over many years by Council, Parliament and Commission could be disrupted or put at risk by irresponsible, partisan, emotive, possible opportunist statements by certain Members. I fear that some of Mrs Ewing's recent statements could possibly be said to fall into this category.

The Ewing motion for a resolution endeavours to reintroduce regional and sub-regional aspects which have already been considered in depth and have been

accommodated. Paragraph 2 of her resolution can only confuse and obfuscate the main issue in this delicate final stage, and I will therefore be calling for a separate vote on this paragraph.

Fourteen days only are left to the Council under the Danish Presidency to agree before the overwhelming majority of Member States, having made every possible concession to achieve a fair agreement, will have to move to national measures, which may, I suspect, be far less advantageous to the odd man out than the reasonable terms currently on the table. Parliament and Commission have honourably acquitted themselves of the task set them. Now only one Member State has to match the political will, courage and sense of Community shown by the other nine. One Member State only has to make the short, and admittedly difficult, step needed to give the Community its common fisheries policy.

I therefore call on the Fisheries Council next Monday to honour its duty to the Community. If the Council does not, I can promise the German Presidency that we will be bringing every possible pressure to bear on it to correct the deplorable situation which will have been created by the Council's failure under the Danish Presidency to achieve agreement, despite the political will and maturity shown by nine of the ten Member States.

Mr Papapietro (COM). — (IT) Madam President, ladies and gentlemen, I am speaking here in support of the protest contained in this motion for a resolution and to underline the urgency of the matter. Parliament has a right to intervene, and it must exercise this right, to unblock this stalemate in forging a common fisheries policy. It is hindering much of this Community activity and it is holding up legislation in certain vital sectors of the fisheries policy. I am thinking of structural policy, to name but one. This stalemate is keeping us from considering the usefulness of a social and Community policy on fisheries. It is even eroding the power of the Community and of the individual Member States in dealing with other countries in an effort to find a way out of the tremendous problems which we have so often had to cope with here.

If things go on like this — and on this point I agree with Mr Woltjer — there is going to be precious little left of a fisheries policy in Europe. We shall then have to start all over again, and that will not be easy.

Parliament has the power to intervene and to urge that these differences be resolved. In recent years the European Parliament has played an active part in this area with some definite and useful action backed by firm determination. As a result, we can make a strenuous appeal for the meeting on 21 December to be a success and for an agreement to be reached.

I too share the view that our response should be restricted to this appeal, calling for an agreement which

Papapietro

will benefit the viability of this sector and the social conditions of the people who work in it. For this reason, we feel that paragraph 2 of Mrs Ewing's motion for a resolution is superfluous — even though we do not quibble with the substance of the matter — and should not be voted through. At any rate, we shall be voting against it.

Mr Nielsen (L). — (DA) Madam President, the situation in which I find myself is a little odd in that I have been a member of this Parliament for almost ten years now, and again and again Parliament has called for a common fisheries policy. I have in many ways felt this to be a matter of principle for Parliament, and now we have reached the point where time is running out and we see that if anything is to be achieved it will have to be achieved at the Council's final meeting this coming Tuesday.

I am one of those who, like Mr Battersby, had certain misgivings when these motions for resolutions were tabled, since I was afraid that Parliament too might also end up contributing to the difficulties. There are in fact only a few very minor points still to be settled, and this is not the time to bring up a whole series of new major problems.

Madam President, I have been very pleased to sit and listen to what has been said, since it has been apparent from the debate that people set great store by the idea of reaching agreement, and it has been gratifying that so few attacks have been made. Nevertheless — from one particular part of the House at any rate — certain criticisms have been expressed regarding Denmark and, as might well be expected, I should like to say very briefly that, obviously, Denmark has a large fishing industry, but one which is based on efficiency, and it cannot be in the interests of the Community to hinder the development of something of this kind. However, nowadays we are obviously faced with the need to take account of ecological considerations and weigh all the various interests involved against each other, and Denmark has also to a great extent accepted that it must make certain sacrifices.

There is very little still standing in the way of a broad agreement, but the main outstanding point is the question of mackerel fishing, which should be permitted on a modest scale. This is not simply a fishing question pure and simple. There is also the fact to be considered that it is virtually the only viable industry we have in certain parts of Denmark where there are extremely serious economic and employment problems. This is a branch of the fishing industry which, if I may say so, does not simply amount to ruthless exploitation of the resources, since it principally involves processing into tinned foods on a large scale.

I cannot go into these details more deeply, but I should like to stress that over and above the questions of fisheries policy, there is also the employment and

regional aspect. I hope that the tolerant spirit which has been in evidence here will continue, so that it will be possible for the Ministers to reach agreement on Tuesday.

Madam President, I should like next to point out, in an entirely different connection, that there is a printing error in the Danish version of the motion for resolution tabled by Mrs Pery and others, paragraph 2 of which calls for an agreement between 'the two Member States'; This should surely be 'the ten Member States', and I have noted that the French version in fact reads in this way. Nevertheless, we should be aware of the error.

Mr Møller (ED). — (DA) I can basically go along with what Mr Nielsen has just said. We should, I think, leave this to the wisdom of the Council, which is to meet on 21 December. If it proves impossible to come to an arrangement which Denmark can also agree to, Denmark's view is that the Treaty of Rome, which forms the basis of our work, should apply. That is to say, there should be free trade, and any countries introducing national restrictions must expect to see these restrictions brought before the Court of Justice. However, free trade is what we always wanted in the Community, and there is no reason to hold it against Denmark that this small country has managed to establish such an efficient fishing fleet that it has been able to increase its catch to the extent it has. It simply shows how enterprising the Danish fishing industry is.

Mr Pisani, Member of the Commission. — (FR) The Commission hopes that the debate which Parliament is holding on a fisheries policy will enable the Council at its next meeting on 21 December to take the decision for which everyone is waiting. There is indeed an urgent need for this policy to reach completion after all the work that has gone into it; should it not come to fruition, we will find ourselves in a state of disarray at the beginning of next year which is all the more disheartening because nine countries have managed to come to an agreement and one last effort would be all that is needed to reach unanimous agreement.

I should like to say to Mrs Ewing that, in my opinion, paragraph 2 of her motion for a resolution weakens the overall message of her text. In the first place, the wishes she expresses in paragraph 2 can be found in the text which is currently being examined by the Council, while no one has ever contested the need to take account of the real situation prevailing in those regions which specialize in fishing.

Secondly, in adding this paragraph to her motion for a resolution, she weakens her appeal to the effect that a general agreement should be concluded before the end of this year.

It is vital that the Council takes a decision on 21 December. Paragraph 2 to the motion for a resolu-

Pisani

tion adds nothing new to what we already have in other texts.

Mrs Ewing (DEP). — On a point of order, Madam President, paragraph 2 of the text is simply a reiteration of the Quin report which was adopted by this House and a previous report in favour of regional preferences. It is just a reference to something already adopted by this House.

Mr Woltjer (S). — (NL) Mr President, Mr Nielsen is right in saying that the number 10 should appear in paragraph 2. Of course, it will be the ten Member States which will have to come to an agreement at the Council meeting on 21 December. That is the original text, and that is how it should remain.

President. — The joint debate is closed.

*Vote¹**Crisis in the coal industry*

President. — We shall now consider the motion for a resolution (Doc. 1-992/82), tabled by Mrs Walz on behalf of the Committee on Energy and Research, on the crisis in the coal industry in the Community.

Mrs Walz (PPE). — (DE) Madam President, ladies and gentlemen, speaking as Chairman of the Committee, I would just like to add a few remarks to the emergency motion on the coal crisis in the Community because Mr Rogalla is the motion's initiator.

It is based on the fact that the Council today, on 16 December, is conducting informal talks on the coal crisis and how to deal with it. This Council meeting is also the reason why Vice-President Davignon cannot be here; however, we have sent the Council of Ministers the text of our motion for a resolution by telegram.

From the political point of view, the following should be stressed: coal cannot and will not be able to provide more than 30% of the Community's energy supplies; we can, however, be sure of these 30% if we take the necessary steps to produce or maintain production of Community coal.

We cannot, however, count on receiving imported coal. However cheap it may be, what is supplied today may be cut off from us tomorrow. This may be the

result of action by a third party blocking channels of access or of negative decisions on the part of the suppliers if they wish to exert political pressure on us. The higher costs for Community coal should be regarded as an insurance premium for safeguarding our energy supplies and as security against blackmail.

Insurance against risk is based on a common safety arrangement. The Community's Member States form such a self-protective alliance, which in turn is based on solidarity. Hence our appeal to those Member States whose coal supplies are mainly imported: it is up to you to sustain this self-protective alliance, otherwise it might happen that we shall all, and you included, be plunged into a new supply crisis. Preference for imported coal results in colliery closures within the Community. A colliery, however, is not like a machine which can be closed down and, when required, started up again. The reopening of a colliery, if at all possible, involves the greatest sacrifices.

I would like to conclude with two points: the importance of coal has been stressed at various energy conferences. The developing countries and industrial countries outside Europe are increasingly recognizing its importance. Their presence on the market as customers will be felt more and more. Even for the medium term, we have every interest in not reducing our coal production. Existing stockpiles of coal are only apparently a surplus.

The Council's informal meeting is being held today in camera, and therefore it is all the more important that we should discuss the problem of coal in public today. The Commission and Council should know that we are in favour of maintaining the Community's existing coal production as a means of safeguarding our energy supplies.

Mr Rogalla (S). — (DE) Madam President, first of all, on a point of order, I would like to say, that I am not representing the Socialist Group but speaking as the author of the motion. As the Chairman of the Energy Committee has just said, I drew up this motion for a resolution and therefore I am making use of my capacity to speak to you as its author.

I am glad that the Chairman has stressed the political context of this motion and I would not like to miss this opportunity to say that, in my view, in the face of the many foreign policy matters we have discussed today, the current urgent problems affecting our Community have been pushed somewhat into the background and now have to be dealt with at the end of this series of topical and urgent debates, more or less at the very last minute.

We know that coal is our domestic raw material, that its consumption must be increased and that we have to become independent of oil in order to save our foreign currency holdings. Energy consumption, however, is

¹ See Annex.

Rogalla

falling all over the world. From 1979 to 1981, each West-European reduced his (statistical) energy consumption by more than 8%. Daily output in coal production is increasing, but has to be slowed down on the other hand because, for example, steel production is restricted. In 1982, 12.3% less crude steel was produced than in 1981 and therefore our domestic raw material coal has got into difficulty again. There is a threat of pit closures and some have in fact already been decided upon. The natural consequence of this is unemployment for the miners of the Community's four coal-producing countries.

These topical and urgent problems form the background to our debate, which is aimed exclusively at reminding the Council of the Commission's 1979 proposals for financing economic stockpiles of coal, coke and briquettes as well as on financial measures to increase intra-Community trade in coal.

Two important aims have brought us together today for this emergency debate. First, more imports of European coal to non coal-producing Member States such as Denmark and Italy must be agreed upon, with a gradual increase to 15 million t per year under consideration. When we realise that in 1981 alone, Italy imported 15.5 million t and Denmark 8.7 million t, this target is not unattainable. Second, I would like to mention the financing of economic or structural stockpiles.

I know that the Commission is rather hesitant of these points following the disappointments of 1977; for this reason, we intend today, acting as a directly elected Parliament, and therefore on the basis of the political changes, to point out again publicly that we in this Community constitute a self-protective alliance and must also share our burdens with each other.

Finally, I would like to give you my opinion on the amendments. I agree to Amendments Nos 1, 3, 4 and 5 because these provide explanatory detail. However, I would advise the House to reject Amendment No 2, tabled by Mr Wurtz, Mr Damette and Mr Martin.

Mr Moreland (ED). — Madam President, from time to time the Council has issued statements to the effect that it supports the Community increasing its production of coal. I refer specifically to a resolution in 1974 and yet again at the Venice Summit in 1980. Yet, of course, the facts show that production of coal has, if anything, declined within the Community over the last few years, largely as a result of the economic recession.

I support this resolution today as my group does, because it is indeed important to maintain our production of coal. We are going to need our coal resources, particularly in the 1990s when we reach the end of our finite reserves of oil and natural gas. We are going to need to increase our coal production. Therefore, I

support this resolution today. It is, of course, the third time this year that we have debated coal. First of all we debated the Rinsche report, then we debated a report in my name, and I hope the message has got across to the Council that the points made in those two resolutions are important for the development of the Community and if we are to maintain a certain self-sufficiency in energy reserves, particularly into the 1990s.

I should also add, in the light of this morning's debates, that the Council has stressed that coal production must be maintained. It has urged those countries that have coal reserves to continue mining, but basically the costs involved and the subsidies and support given are of a national nature. The report in my name adopted by Parliament illustrated that it costs Germany and the United Kingdom in particular an enormous amount to maintain their commitment to the Community. Perhaps if the Community were to take that on, we would not have quite the same problems that we had this morning.

So, Madam President, I would ask this House to support the resolution today and also to support the amendments in my name, because it is also important to encourage further use of coal. We need a coal policy in the Community. We were started as a Coal and Steel Community and we must continue and develop that.

Mr Wurtz (COM). — (FR) The French Communists and Allies link the motion for a resolution tabled by the Committee on Energy and Research with a fundamental question, that of the need to step up coal production in the Community.

We have made this point again and again in our own country and in this House; the French government and the French National Coal Board have set their sights on relaunching the industry. We think that it is totally abnormal that Community production is going down while the Community is having to import something like 70 million tonnes of coal every year.

In our opinion, the principle of Community preference should be applied in this field too. The present situation seems all the more abnormal and unacceptable, since nearly a third of these imports from outside the Community come from South Africa, which we spoke about just now, and when everyone knows that we ought to be calling for a policy of economic sanctions towards this country. Apart from that, there is a major element missing from the motion for a resolution tabled by Mrs Walz and the Committee on Energy and Research, which we regret: I mean France. The problems of the United Kingdom and Germany get an airing but France — which is in the same position — is not even mentioned. That is why we have tabled an amendment and hope that our colleagues here will have sufficient Community spirit not to permit any discrimination in this sphere. We hope to see France

Wurtz

put on an equal footing with other coal producing countries, therefore, and we will of course support this motion for a resolution on that basis.

Mr Eyraud (S). — (FR) Madam President, I had already asked for permission to speak on a point of order before the previous speaker. I hope you do not mind my pointing out that it is now eight minutes to six and that the urgent debates are supposed to finish at six o'clock. In these circumstances might we vote now — without further debate — on the three remaining items on the agenda, namely items 8, 9 and 10.

I believe I am correct in saying that as far as item 9 is concerned, at least, no one has asked for permission to speak.

President. — We have agreed to carry on to 6.15 p.m. to compensate for the delay with which we started.

Mr Rinsche (PPE). — (DE) Madam President, ladies and gentlemen, about a hundred years ago the Austrian physicist Ludwig Volkmann predicted that the struggle for existence would in future become more and more a struggle for the control and production of energy. The two major energy crises of the past ten years have provided more than enough practical evidence to back this argument. Unless appearances are deceptive, we run the risk of experiencing a third energy crisis in the near future.

In its Energy Outlook 2000, the International Energy Agency has just pointed out that we can expect a new shortage of oil in the second half of the 1980s at the latest. The present oil surplus situation and tendency of many people to take the easy way out by ignoring the problems of tomorrow present a threat to medium and long-term energy supplies, and thus to the safeguarding of the European Community's future. The Member States' public finance deficits for which they themselves are responsible also conceal the danger of a situation in which only today's problems are attended to and the needs of tomorrow are recklessly pushed aside.

For us, European energy policy is a permanent attempt to agree on the realities of our situation as well as on our capacities and requirements. This is why we have tabled this motion for a resolution on the Community's coal crisis. We do not want Europe's most important energy source to be entombed. This will happen, however, if our energy awareness is weakened, if there is insufficient investment in the coalmining industry and in the energy infrastructure which goes with it, and if the Council of Ministers does not fulfil its task of implementing a joint coal policy. It is a question of drawing the Council's attention to its responsibilities, and this is what this resolution is all about.

Mr Pisani, Member of the Commission. — (FR) As luck would have it, at the same time as coal is being debated here in Parliament, the Council of Ministers is meeting in Copenhagen to discuss the same subject, which explains why I am standing in for Mr Davignon, whose remarks would no doubt be more substantial on this topic than my own.

A year ago, the Commission produced a document which attempted to show the vital role that coal and nuclear energy could play in rendering the European Economic Community self-sufficient in energy. In a second communication at the beginning of this year, the Commission tried to assess the progress made in attaining the objectives that had been defined in 1974, and noted with disappointment that they had not been attained because the economic conditions which served as their basis had themselves changed. The Commission wants very much to relaunch the debate on coal, particularly by emphasizing consumption and by trying to bring to an end the divergences which exist in the position adopted by the various countries. It is in fact the Commission's opinion that it is not enough to set targets and to produce, but that the conditions for transforming and using coal within our market have to be explored so that consumers can be persuaded to purchase coal. As far as the targets are concerned, they had indeed been fixed, but a restriction had been introduced in the sense that we said they could only be reached if economic conditions were satisfactory, and that was where the difficulty lay. I believe that the observations you have been making and the tactics to be pursued regarding coal policy turn around this very concept.

On the subject of the stocks at pitheads, I should like to remind you all that, since 1977, the Commission has been proposing that tax measures should be introduced to lighten the financial burden of the producers of such stocks. We hope that today's Council meeting will enable some progress to be made on this point.

I should like to conclude my remarks — which may have seemed rather pessimistic — by saying that, in the last analysis, the problem must be attacked at the root, with attempts being made on the one hand to examine how consumption/habits and how on the other hand safety requirements can enable us to beat the economic problems besetting coalmining in Europe.

IN THE CHAIR: MR KLEPSCH

Vice-President

President. — The debate is closed.

Vote¹*Revision of Commission Regulation 67/67*

President. — We shall now consider the motion for a resolution (Doc. 1-1028/82), tabled by Mrs Castle and others on behalf of the Socialist Group, on the revision of Commission Regulation 67/67.

Mr Welsh (ED). — I should like to point out that this motion is actually superfluous. The Committee on Economic and Monetary Affairs is already seised of this matter in a motion under Rule 47, which contains the signatures of members of all political groups, and the committee is going to make a report.

Mrs Castle's resolution is therefore extraneous, and I would ask the movers to withdraw it. However, their sense of its importance is such that actually none of them is here. On the basis that we do not need it, and that it is an abuse of the urgency procedure, I suggest that we reject it.

Mr Andriessen, Member of the Commission. — (NL) I do not feel that there is any reason in these circumstances for the Commission to speak. The matter is going to be dealt with under another item on today's agenda.

President. — The debate is closed.

Vote

Severe weather conditions in France

President. — There will now be a joint debate on two motions for resolutions:

- motion for a resolution (Doc. 1-1010/82), tabled by Mrs Pruvot on behalf of the Liberal and Democratic Group, on the effects of the catastrophic snowfalls in the departments of Loire, Rhône and Haute-Loire;
- motion for a resolution (Doc. 1-1029/82), tabled by Mr Eyraud and others on behalf of the Socialist Group, on emergency measures for the French departments severely affected by the heavy snowfalls of 27 November and the exceptionally severe weather conditions of 6 and 7 November 1982.

¹ See Annex.

Mr Eyraud (S). — (FR) Mr President, ladies and gentlemen, I tabled this motion for a resolution on account of the disastrous weather conditions which hit the south of France on 7 November and which were repeated in three French *départements* on 27 November.

The department I come from, Haute-Loire, has been hit particularly badly this year because it has been declared a disaster area four times. The first time was because of the drought, the second because of extremely violent hailstorms, the third — on 7 November — because of the quite exceptional storm which struck the south of France, affecting 41 departments in all, and finally on the night of 26-27 November, in the three departments which my motion for a resolution refers to, more than 300 000 people had to cope with a power failure. In some cases it lasted for a fortnight, with the result that people lost everything they had stored in freezers, for example. In some clinics and hospitals people might even have died if the power failure had lasted a night longer. That was the situation in these departments, and that is why I am asking the Commission to be good enough to use all the means at its disposal to help these areas.

Mr Burke, Member of the Commission. — Mr President, yesterday the Commission took a decision to give 1 500 000 ECU to the regions affected which I think is an indication of the sympathy which the Commission wishes to express to the people of these areas.

President. — The debate is closed.

Vote¹*After the adoption of both resolutions*

Mr Moreland (ED). — Mr President, it was only to point out to you that the last paragraph of the resolution proposed by Mrs Walz on coal instructed the President to telegraph the resolution immediately to the ministers meeting in Copenhagen. We hope that this is now being done.

Mr Forth (ED). — On a point of order, Mr President. In view of the time, whether you believe we are now in a position to embark on yet another — thorough — debate, hear the Commission and vote all within the three hours allowed to us for the urgent and topical debate. Or do you not from the Chair think it would be better just to move on to the next proper business of the House?

¹ See Annex.

President. — Mr Forth, there will be enough time, provided we do not waste any time talking about the agenda.

Guatemala

President. — The next item is the joint debate on two motions for resolutions on the situation in Guatemala:

- motion for a resolution (Doc. 1-1027/82) by Mr Boyes and others on behalf of the Socialist Group;
- motion for a resolution (Doc. 1-1034/82) by Mr Vergeer and Mr Barbi on behalf of the Group of the European People's Party (CD Group).

Mr Boyes (S). — Mr President, I accept the amended text of my resolution tabled by the Socialist and the EPP Groups. The problems faced by the peoples of Guatemala, and particularly the Indian population, have been well documented recently. In addition, a number of us in this Parliament have had the privilege and pleasure of meeting representatives of the Indian population, both in Brussels and this week in Strasbourg. I regret they are not able to be with us today, but I am sure the best news they could get as a result of their visit is that the European Parliament passed the resolution before you today unanimously.

What the Indians have told us and what we are able to read in documents from Amnesty International, the United Nations and other independent bodies and individuals makes a shocking story — a scandal. Since General Rios Montt took power in March the catalogue of names of those murdered and those subjected to barbaric, terrible tortures forms indeed a very large volume.

One indication of the number of dead is that 8 000 people were killed in the first four months following the coup. Many villages inhabited by Indians, a gentle peace-loving people, have been razed to the ground. The inhabitants — men, women and children — have been shot.

One of the Indians present this week described graphically in a very calm way how recently a village was destroyed by the use of mortar bombs. When the villagers took refuge in a church the guns were trained on the church. When some pleaded with the oppressors for mercy they were murdered too. If only these were isolated incidents. We were further told that all inhabitants of some villages have been killed after soldiers added poisonous chemicals to their water supply. Indians have had their eyes gouged out, whilst others have been forced to kill their friends when soldiers held pistols to their heads.

One eyewitness reports troops mutilating bodies, cutting their hearts out and eating them. Why? One explanation is that the regime of Riaz Monte is so severe on the population, a population suffering great poverty as well as repression, that there has been guerilla activity. And who would expect otherwise after the terrible happenings I have described?

The army has a number of options. One is to seek out guerillas. This option has been rejected in favour of another. It runs something like this: there is a possibility that some of the guerillas are hiding in villages occupied by Indians. Therefore destroy the villages, shoot the Indians, destroy the forests and there is nowhere for anyone to hide and no one to harbour the guerillas. However, the destruction of the forests is leading to others dying of starvation. The combination of state terrorism and starvation is decimating the Indian population. As the Boston Globe said, somewhere between a pogrom and genocide. I appeal to all to do whatever they can through contact with the Government of Guatemala to end this barbarism and to do all we can to restore democracy to this unfortunate country.

(Applause)

Mr Vergeer (PPE). — (NL) Mr President, it is, give or take a day, exactly three months since we discussed this situation in Guatemala in this Parliament, and the fact that we are once more discussing the same question so shortly afterwards is in fact in itself proof enough that the situation has seriously deteriorated. The previous speaker has already given a number of examples. We have received shocking reports from both Amnesty International and the North American Council of Churches, and the motion for a resolution, at least the new text, therefore rightly speaks of the alarm which is felt at the proportions which the campaign of repression has assumed.

I believe — without wishing to repeat myself — that at all events particular attention should be drawn to those groups who are probably the hardest hit, i.e. the rural populations, and in particular the Indians, since these groups in particular are totally unequipped to cope with modern military violence, which means that after their futile efforts to avoid this violence they take flight and join the endless ranks of refugees either in their own country or elsewhere, in this case Mexico. We are convinced that the Community cannot in fact do very much, but what we can do is first of all to give immediate humanitarian aid provided, of course, that the channels used are independent of the Guatemalan authorities and provided such aid is destined for the rural populations which have been driven from their homes.

Nor must we, as I see it, miss any opportunity of throwing as much light as possible on the truth of the situation by means of investigations carried out, for

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example, by a United Nations committee of enquiry, although our Parliament could certainly do something itself in this respect.

Thirdly, we must make it very clear to the authorities that not only can we see what is going on in Guatemala but we also have a clearly defined attitude to these events. Thus, paragraph 1 of the motion for a resolution states explicitly and, I think, quite rightly, that we as Parliament condemn the criminal actions of the Guatemalan authorities.

I should like to make it quite clear that my Group very much hopes that as a result of a joint amendment which has been tabled we will now have a text before us which may receive the support of a large majority in this Parliament. This is another case of serious violation of human rights, this time in Guatemala, and in order to make things quite clear I should like to add that my Group condemns any violation of human rights wherever it may take place and does not discriminate between left-wing and right-wing regimes. Wherever human rights are violated we should speak out in protest.

Mr President, my Group will therefore be very glad to give its support to this new text.

Mrs Van den Heuvel (S). — (NL) Mr President, I shall also try to avoid repeating myself as much as possible, since I share Mr Vergeer's sense of frustration at the fact that we need to return to the problem of the situation in Guatemala. However, although there is very little we can do about the acts of violence which have become the order of the day in that country, we should not remain silent either. How much more horrifying must it be for the people of the country who have to suffer every day under the government's reign of terror and the unimaginable brutality of the army. We European politicians can be grateful that there are still people who, as Mr Boyes has informed us, are prepared to report on their experiences — as they did yesterday — in spite of the direct risks involved. I should like to mention just a few facts which were reported to us yesterday. The army is destroying villages and harvests from the air, so that even the survivors face certain death, in this case from starvation. Soldiers are attacking villages, raping and murdering women and killing men and children, including babies. Nor are pregnant women spared — indeed, the usual method of torture is to cut the unborn child out of their bodies.

Mr President, it is not pleasant to have to repeat such stories here, but you should not think that the Guatemalan Army is content merely with killing as many people as possible. No, they are so desperate to wipe out the poor Indian peasants to the last man that they even go so far as to pursue their victims over the Mexican border, and the Mexican Government only recently made a diplomatic protest in no uncertain

terms regarding these events, which have involved the deaths of Mexican citizens as well.

And in the meantime, Mr President, the President of the United States claims that the human rights situation in Guatemala has improved. This would be hilarious if it was not so tragic. However, Mr President, I should like to make just two further points. I cannot believe that the people of America and their representatives in the House of Representatives and the Senate wish to continue turning a blind eye to the horrors which these people are undergoing. We can help the people of Guatemala today by adopting the joint motion for a resolution tabled by the Christian-Democratic and Socialist Groups.

Mr Pisani, Member of the Commission. — (FR) The Commission is aware of the situation which has been detailed by several Members of the House. It is absolutely intolerable and cannot be justified on any grounds whatsoever. I just want to say, in the course of this debate and with reference to paragraph 5 of the motion for a resolution, that on 15 November the Commission allocated 235 000 ECU for the displaced populations in Guatemala and another 450 000 ECU for the Guatemalan refugees in Mexico. In addition, part of the 7.5 million ECU allocated to UNHCR for Central American refugees will go to those from Guatemala.

President. — The debate is closed.

Vote¹

The topical and urgent debate is closed.

5. Votes¹

BARBARELLA REPORTS (Docs. 1-998/82 and 1-1004/82 'Energy Programme: Measures in favour of the United Kingdom')

Mr Notenboom (PPE). — (NL) Mr President, ladies and gentlemen, as acting chairman of the Committee on Budgets I would request in accordance with Rule 85 of the Rules of Procedure that the report on this regulation as well as the report by our committee concerning the United Kingdom be removed from the agenda and referred back to committee. As a result of this morning's vote, which resulted in the overall rejection of the supplementary budget for 1982, we

¹ See Annex.

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have a new situation which has direct consequences for both of these regulations. It is our opinion — an opinion that is shared by the rapporteur, Mrs Barbarella, who is not here at the moment — that it would be better if the Committee on Budgets took another look at the matter. I am therefore requesting that both of these reports be referred back to committee.

Mr Kellett-Bowman (ED). — Mr President, these matters have been discussed over past days and debate on them has been completed. And so, as far as I can see, Mr Notenboom has every right, in his capacity as acting chairman of the Committee on Budgets, and as acting in the place of the rapporteur, Mrs Barbarella, to ask the House to refer these back to the committee.

On the other hand, Mr President, it is open to the House to pass these matters which have been thoroughly debated by the House so that instruments are on hand for the Commission and the Council to act, should it be necessary. This is all getting terribly complicated and constitutional in its form, but I did not hear Mr Notenboom put any technical arguments in favour of referring these back to committee. So I would urge the House to dispatch matters which have been thoroughly debated within the House and vote against the reference back.

JACQUES MOREAU REPORT (Doc. 1-944/82 'NCP')

Article 2 — Amendment No 10

Mr Pisani, Member of the Commission. — (FR) In line with what Mr Ortoli said yesterday I should like to make it clear that the Commission will substitute the word *Council* for the term *budgetary authority*. I felt as a result of my esteem for Parliament that it was my duty to tell you this.

6. Own resources

President. — The next item is the report (Doc. 1-1006/82), drawn up by Mr Notenboom on behalf of the Committee on Budgets, on the following proposals:

- I. proposal from the Commission to the Council (Doc. 1-560/82 — COM(82) 412 final) for a regulation (ECSC, EEC, Euratom) amending and extending the term of validity of Regulation (EEC, Euratom, ECSC) No 2892/77 implementing in respect of own resources accruing from value-added tax the Decision of 21 April 1970 on the replacement of finan-

cial contributions from Member States by the Communities' own resources;

- II. proposal from the Commission to the Council (Doc. 1-561/82 — COM(82) 316 final) for a regulation (ECSC, EEC, Euratom) amending Regulation (EEC, Euratom, ECSC) No 2891/77 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources.

Mr Notenboom (PPE), rapporteur. — (NL) Mr President, both of the Regulations on the agenda concern the fixing, collection and making available to the Community of own resources. The established principle of financing out of own resources — and, hence, financial autonomy — has suffered considerably in recent years as a result of concentrating on 'getting one's money back', and it has now become, as I see it, dramatically apparent what this can lead to. However, not a single Member State makes a contribution to the EEC. The own resources are indeed taken from the economies of the Member States, but they are not contributions by these States. This system was introduced in 1980. The European Commission had to report on its experience with the functioning of the system of financing by means of own resources, and this report is one of the points under discussion, together with a number of amendments to the Regulations which I mentioned, i.e. No 2892/77 on the determination of the VAT base, and No 2891/77, which concerns the way in which all own resources finally find their way to the Community coffers in Brussels and are made available to the executive, and the checks to which this process, is subject.

The Committee on Budgets broadly speaking goes along with the proposals by the European Commission, albeit subject to a number of amendments. The central point of Regulation No 2892/77 is that the transitional period during which the Member States may choose between the statistical method and the returns method for the purpose of determining the VAT base should be extended by three years. It is to this base, which may still be calculated in either of two ways, that the percentage is applied which, in the final analysis, is laid down in the budgetary procedure. The Committee on Budgets proposes that this period should indeed be extended, but that the Commission should be placed under the obligation to report in detail after only two years on the advantages and disadvantages of the two systems and, in particular, the administrative problems, particularly for small and medium-sized undertakings, resulting from the returns method. So far, reporting has not been adequate — nor could it have been, since the system has not been in operation long enough. Personally, I am convinced that the administrative problems are considerable and that Parliament should be consistent with its own requests as contained in my 1978 report on small and medium-sized undertakings and the Deleau report

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from the beginning of this year on the same subject, which call on the governments to exercise the utmost caution as regards introducing new administrative burdens, and even call on them to simplify existing arrangements. For this reason, the majority of the Member States opt — as I have seen from correspondence — for the statistical method which places no onus whatsoever on either the taxpayers or the tax inspectors. This choice is still possible, and we do not for the time being need to make a final decision one way or the other. The Committee on Budgets then proposes that the 'Committee on Own Resources' in Regulation No 2892/77 should be only a Commission advisory committee, and that the representative of a Member State should not be able to take the decision-making process back to the Council when agreement has not been reached. This should not be possible, as we see it and as we have proposed on various occasions. We would prefer to make it an advisory committee pure and simple. This system was perhaps desirable in the first few years, but the Committee should nevertheless gradually become an advisory committee pure and simple. I will not at this stage go into the other proposals, which are predominantly of a technical nature.

As regards Regulation No 2891/77, this contains one important political proposal since, as matters stand at present, own resources from VAT are transferred to the Community as follows. Each month one-twelfth of the amount indicated for the year in the budget is transferred by the Member State to a Commission account in the national Treasury or elsewhere as agreed jointly between the Member States in question and the Commission. It would be preferable if a twelfth of the total amount was transferred to Brussels to the Commission Treasury. However, there are objections — particularly of a monetary nature, which we understand — to this system. Nevertheless, these are Community own resources, and in order to emphasize this fact we are pleased to note that the Commission proposes that these accounts should be allowed to earn interest. We go along with this proposal. Since banking legislation differs from one Member State to another — as the Commissioner will be well aware in view of his previous activities — the Committee on Budgets would like to extend the possibilities available somewhat by also making it possible for the accounts perhaps to be held with a commercial bank, which would still be a financial institution designated in consultation between the Member State in question and the European Commission. As we understand it, the European Commission has no objections to this idea.

There are also a number of technical amendments concerning the rate of interest to be applied in the event of delays in payments and to the monthly transfers if no budget has yet been produced. Furthermore, the Commission must, in our view, be able to keep the amounts credited to the accounts held by the Commission with the financial institutions in the Member States in ECU and we urge the Council to give the Commission the necessary powers. The Commission

proposed the introduction of the ECU some time ago — not for this specific purpose, but generally — and this could be extremely appropriate here. Our resolution therefore calls for the introduction of this system.

We would be grateful if the European Commission would tell us what it thinks about the predominantly technical amendments proposed by the Court of Auditors to its two proposals for regulations. It is vital that improvements be made in the inspection arrangements in connection with own resources, which is something which the Commission is also constantly dealing with, urged on both by the Committee on Budgetary Control of this Parliament and the European Court of Auditors.

Regulation No 2891/77 also contains a proposal, which we support, for extending the Commission's scope as regards inspection in the Member States. In future, it will be possible for the Commission to make inspection visits to departments in the Member States when it chooses in connection with VAT resources too. This report does not concern the question of fraud, but I must point out that several aspects of the regulations are of relevance to the prevention of fraud, which would unfortunately appear to be on the increase. According to the European Commission, studies are also being carried out by experts from the Member States regarding, for example, the concept of amounts payable to 'customs and excise' etc. We are very curious to hear the results of these studies, which we hope will be available in the near future.

I should like to take this opportunity of urging the Commission to press on with the streamlining of collection policy in connection with customs duties. I very much get the impression that considerable differences still exist in this respect, with the result that fraud is not detected and penalized with the same swiftness throughout the Community, and that these disparities can even result in rerouting of trade flows. We will, however, have sufficient opportunity to return to this question in the near future.

These were the most important points I wished to make, Mr President. I hope you will all support the proposals by our Committee on Budgets and I should like straightaway to thank the rapporteur Mr Giavazzi and the Economic and Monetary Committee for the opinion which has been of great service to our Committee on Budgets and to me personally.

Mr Andriessen, Member of the Commission. — (NL) Mr President, the Commission is very pleased to note that, according to what Mr Notenboom has just said, the motion for a resolution supports the Commission's proposals, and we are naturally also pleased that in spite of the overloaded agenda it has proved possible to deal with this matter before the end of the year.

Andriessen

Mr President, we note that Parliament can go along with the proposal to extend the VAT regulation for three years, although Mr Notenboom has once more urged the Commission to submit a report to Parliament before the end of 1984 on the implementation of the Regulation and, in particular, the choice of a uniform method for determining the basis of assessment for own resources.

Mr President, the Commission realizes that account must be taken of the costs of a particular system to the national government departments and the taxpayers when finally deciding on the system to be used, and Mr Notenboom drew particular attention in this connection to the problems facing small and medium-sized undertakings. I can assure him that the Commission will submit this report to Parliament by the end of 1984 and that — indeed what else could we do — we will also devote particular attention to this aspect insofar as we will obviously have to make a start on the report in the course of 1983, which has been designated the year of the small and medium-sized undertaking.

Mr President, this brings me to another point which Mr Notenboom mentioned, i.e. the question of amending Article 9 of Regulation No 2891/77, which he described as politically important. The Commission is fully aware of the importance which Parliament attaches to the principle involved here, which fundamentally concerns the financial independence of the Community. We go along with the idea embodied here, and we find Parliament's support particularly important, since it is not a foregone conclusion that the Council will go along with a proposal of this kind. Mr President, in the motion for a resolution it is regarded as desirable to put aside the question of the later date for the accounting for the balance of a particular financial year until the amendments to the Financial Regulation have been examined. The Commission regards this as reasonable. However, as regards another point which has been mentioned by the honourable Member, i.e. a modification whereby a form of monthly payments should be introduced on the revenue side in the payments system, account should also be taken, as the Commission sees it, of the fact that this could upset or at least affect the balance between revenue and expenditure.

Mr President, I should also like to comment on the amendment to Article 13 of Regulation No 2891/77 concerning the Advisory Committee on Own Resources, which proposes revising the system. While agreeing in principle with Parliament's views on this point, the Commission would nevertheless think twice at this stage about proposing a revision of this kind. Mr President, the two reports by the Court of Auditors have also been mentioned, and these raised a number of relatively detailed points, some of which could indeed, in the Commission's view, be arranged somewhat better than is the case at present. Some of the points made reflect the Commission's own views.

We will be pleased to inform Parliament in due course — I hope, in the not too distant future — of the conclusions the Commission ultimately draws from these reports.

Mr President, Mr Notenboom mentioned the importance of detailed studies and the great importance of combating fraud. Obviously, the Commission wholeheartedly concurs with his views on these points and after a full examination of, in particular, the question of streamlining the collection of customs duties, would be glad to discuss these questions in greater detail with Parliament.

Mr President, these were a few points I wanted to make. I do not think Parliament expects me to go into highly technical details in this connection — I am sure these general observations will suffice. I should like to thank Parliament for the constructive approach it has taken to our proposals.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

Competition policy

President. — The next item is the report (Doc. 1-845/82), drawn up by Mr Papantoniou on behalf of the Committee on Economic and Monetary Affairs, on the Eleventh Report of the Commission on competition policy.

The following oral questions with debate are also included in the debate:

— oral question with debate (Doc. 1-914/82) by Mr Bangemann on behalf of the Liberal and Democratic Group:

Subject: Competitiveness of the Community and national aid

— Whereas the European Community is entering its fourth year of economic stagnation and whereas this period is very long compared with previous periods of stagnation;

— noting, with regret, the very high level of unemployment, which represents a threat to socio-economic and democratic structures;

— whereas, on the one hand, international demand is falling and, on the other hand, international trade is deteriorating, a situation that is very serious for the Community, which accounts for one third of world trade;

The Commission of the Communities is asked:

(a) What measures does it plan to take to curb public demand in view of the fact that the

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national budget deficits are undermining the economic competitiveness of the Ten, since their growing public debt — up to 16% of the GDP — leads to an increase in taxation and rising interest rates, holds back investment and therefore detracts from the competitiveness of undertakings?

- (b) in view of the high level and the inflexibility of labour costs in the Community, does it consider that there should be a ceiling on, or even a reduction in, certain social benefits, or, at least, in certain social instruments which are counter-productive?
- (c) What measures does it feel are needed to boost demand, and indeed, growth, which is essential to restore a balance in the profit-debt ratio and thus to ensure the ability of firms to finance themselves?
- (d) Does it not consider that the Community, 25% of whose activities are geared to foreign trade, should, in its domestic and foreign policy, oppose protectionism in any form, which would trigger off other protectionist measures, restrict the ability of firms to make progress in the technological field, and ultimately impair their competitiveness?
- (e) What steps does it plan to take to increase the mobility of the economy and, in particular, to remove the various obstacles to productive activity, such as superfluous legislation and complicated administrative procedures?
- (f) In view of the importance of investment, which, because it stimulates demand, is vital to the protection of jobs, what measures have been taken to create a favourable climate for investment and to encourage advanced technology rather than declining industries?

In particular, is there not a need to improve, as a matter of priority, the system of tax on invested profits and the rules governing savings invested in undertakings' own resources?

- (g) How can the proliferation of national aid systems be stopped, in view of the fact that such systems account for an increasing share of national budgets? Does the Commission not think that the time has come to make a rigorous assessment of their compatibility with the provisions of the Treaty, if necessary by systematic recourse to the Court of Justice of the Communities?
- (h) What proposals have been made to enable undertakings in the EEC to derive the maximum benefit from the economies of scale which the size of the Common Market permits?
- (i) What measures can be taken to encourage better use of public contracts?

- oral question with debate (Doc. 1-915/82) by Mr Nyborg on behalf of the Group of European Progressive Democrats:

Subject: Consequences of the Swedish devaluation

As Sweden unilaterally devalued its currency by 16% on 8 October 1982 regardless of the obligations it had entered into with the European Communities¹ and although it had no particular balance of payments difficulties, what does the Commission intend to do to offset the unfair competitive advantages that this trading partner has arrogated to itself?

- oral question with debate (Doc. 1-983/82) by Mrs Pruvot and others:

Subject: Clarification of the Commission's point of view on nationalizations

Whereas the Commission has repeatedly affirmed that the principle of the nationalization of the main industrial groups and the virtual entirety of the banking sector in France was not contrary to Community rules;

Whereas the Commission has not so far defined clearly its attitude to undertakings affected by nationalizations;

1. Does not the Commission consider that competition is likely to be seriously affected by the existence of undertakings enjoying more advantageous financial conditions and thereby escaping the provisions of Articles 85 and 86 as also Article 92 of the Treaty of Rome?
2. In addition, what is the nature of the sanctions envisaged against undertakings deemed to be abusing a dominant position?

- oral question with debate (Doc. 1-986/82) by Mr Welsh on behalf of the European Democratic Group:

Subject: Progress of the bilateral textile negotiations

The Council decision in April 1982 ratifying the agreement to extend the Multifibre Arrangement until the end of this year made it clear that unless acceptable bilateral agreements were concluded with the principal supplying countries the Community would withdraw from the Arrangement.

1. Which supplying countries have initialled bilateral agreements so far and to what extent does the Commission consider it has used up its margin for manoeuvre in concluding these pacts?

¹ Agreement between the European Economic Community and the Kingdom of Sweden, OJ L 300, 31 December 1972.

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2. Which supplying countries have requested a suspension of negotiations and when does the Commission expect to conclude agreements with each of them?

3. Does the Commission consider that the principle of cut back is inherent in the conclusions of the GATT Textile Committee and to what extent has this been accepted by the four dominant suppliers?

4. To what extent has the transitional arrangement negotiated with Portugal been taken into account when reviewing the Community's internal global ceilings?

5. When does the Commission expect to report to the Council on the progress and conclusion of the bilateral negotiations?

6. In the event that the Council determines that the bilateral agreement are not acceptable, what proposals will the Commission make to safeguard the interests of the textile industry?

— oral question with debate (Doc. 1-987/82) by Mr Bangemann and others:

Subject: Dutch Government aid to the textile industry

Since 1975 the Netherlands has been operating a system of sectoral aids which puts the firms of other Member States in the same sectors at a competitive disadvantage. Only last year the Commission agreed to a subsidy scheme which was the second of its kind for the Dutch wool industry and the fourth of its kind for the cotton and linen industry. According to unrefuted press reports the latest plan proposes FI 65 million (or about DM 59 million) for direct investment subsidies and between FI 150 and 200 million (about DM 136-181 million) for guarantees.

The repetition of these aids makes it clear that they are maintenance subsidies. The Dutch measures are not only contrary to the spirit and letter of the EEC Treaty, but they must also be rejected by reason of the Community framework laid down by the European Community for aids and the supplementary guidelines, if the Commission does not want to lose its credibility.

- 1: Is the Commission aware that the Dutch Government intends to introduce a new scheme of subsidies for that country's textile sector?
2. Does the Commission intend to give its authorization for the Dutch subsidy scheme?

Mr Papantoniou (S), rapporteur. — (GR) Competition policy, as it is understood in Community law and practice, extends from the whole range of anti-monopoly checks to the monitoring of national aids and

includes questions such as prevention of industrial concentration and policy towards multinational firms — questions which are a matter of considerable controversy. On the other hand, certain questions of competition policy are examined, or will be examined; in separate resolutions of the European Parliament — for example, the application of the rules of competition to sea and air transport, aid to the steel industry, and the probable infringements of competition rules in the automobile industry.

For these reasons, the motion for a resolution on the Eleventh Report of the Commission on Competition Policy refers briefly to all the subjects covered by the report, stressing certain questions of fundamental importance.

The central principle of the motion for a resolution is that competition policy must play a very important rôle in the present period of adaptation of the Community's production structures to the changes in the prices of the products concerned, in conditions of demand and cost and in the international economic environment which have taken place in the last decade. That rôle consists mainly of strengthening market forces so as to encourage a shift of productive resources from less to more productive uses, at the same time ensuring that the consumer derives the benefits of the higher productivity.

One point particularly stressed in the motion is the absence of an overall view of Community competition policy. Effective application of the rules of competition is a complex task which presupposes the reconciliation of many, frequently conflicting, aims and, more generally, the unification of the special aims of the Community. The need for a coordinated approach to competition policy is greater now than in any other period of the history of the Community, for two fundamental reasons:

Firstly, there is the sharpening of international competition because of the existence, in various branches of economic activity, of significant economies of scale.

The second reason which makes a coordinated approach necessary is that restructuring costs more in a period of prolonged economic recession than in a period of rapid growth, together with the fact that this cost varies according to the region, the social group or the sector affected.

This coordination is not apparent in the Commission's activity in the field of competition. This is due to the inadequacy of the economic research carried out by the Commission as well as to inadequate cooperation between the Directorate-General for Competition and the Directorates-General concerned with economic, fiscal, industrial and regional matters. The motion for a resolution calls upon the Commission to expand considerably its research on the competitiveness of Community economic sectors on the world market

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and on the rôle of State intervention in the process of restructuring. It likewise calls on the Commission to take steps to ensure greater coordination between the Directorates-General which are directly or indirectly concerned with competition questions. However, the motion for a resolution points out the need to respect the basic principles of competition enshrined in the Treaty of Rome.

With particular reference to competition policy as it affects firms, the motion for a resolution agrees in principle that there is a need to draw up new regulations on exclusive distribution and marketing agreements, but maintains that the Commission's plans can be further simplified without reducing their effectiveness — subject, however, to Parliament's opinion.

With regard to small and medium-sized enterprises, doubts are expressed as to how fully they benefit from the more favourable treatment accorded to them by the Commission, and as to how well-informed they are with the possibilities existing in the field of competition. For this reason, the motion for a resolution calls upon the Commission to publish in 1983 — the year of small and medium-sized firms — a guide to Community law on competition questions for their information.

Turning now to multinational firms, the complaint is made that the Commission has taken no action whatsoever to ban the overpricing and underpricing of products by multinational firms, in view of the fact that these infringements constitute a serious threat to intra-Community competition.

The motion for a resolution acknowledges the difficult task of the Commission in keeping a check on national aids in a period of economic recession and industrial restructuring. However, it points out that, in view of the increased importance and complexity of programmes of national aids, the pragmatic approach of the Commission is inadequate for carrying out effective checks, and that the rules enshrined in the policy, together with the practical guidelines which have been devised hitherto, must reflect a stricter interpretation of Community interest.

As to the international activity of the Community in the field of competition, the Commission is criticized because it does not conduct a campaign for the elimination of certain infringements of competition rules on the world market which put intra-Community competition at risk.

The motion for a resolution takes a favourable view of the Commission's proposals to improve procedures for implementing the rules of competition. These proposals — as you may well know — mainly concern the creation of a two-tier system of judicial review, composed of the European Court of Justice and an intermediate court which will be set up. They also concern the appointment of officials to be responsible for the

hearings procedure, as well as measures to expedite procedures and protect the rights of enterprises which are the object of a complaint.

Finally, with regard to the role of socio-economic and political organizations and bodies in the implementation of competition policy, the motion for a resolution expresses satisfaction at the Commission's decision to consult the Economic and Social Committee, but calls for the establishment of more frequent bilateral contacts as well as a better exchange of information.

Mr President, in conclusion I must stress the following: The Commission responded in its Eleventh Report on Competition Policy to some of the demands put forward by Parliament in its earlier resolutions. However, there remain a considerable number of questions which the Commission either did not cover sufficiently or avoided mentioning. Nevertheless I think that the Eleventh Report could mark the beginning of better cooperation between Parliament and the Commission, which would be based on the principle that a full reply will be given to all the questions raised by Parliament.

Community competition policy touches upon a broad spectrum of economic activities and can make a decisive contribution to overcoming the economic crisis and to the pursuance of the Community's aims. However, effective implementation of this policy requires more and deeper research into the economic and industrial structures of the Community, better coordination on the part of the Commission and a stronger political will, particularly with regard to infringements of competition rules on the world market.

Mrs Weil (L), draftsman of an opinion for the Legal Affairs Committee. — (FR) Mr President, I am speaking as the Chairman of the Legal Affairs Committee instead of the draftsman of the opinion, Mr D'Angelo-sante. He had been appointed as the draftsman of an opinion for our committee, but with the adoption of some amendments to the report he had prepared, he did not feel he could endorse the content of the amended version of his opinion and therefore resigned as draftsman.

Competition policy, which is one of the pillars of the common market, guarantees the way in which that market functions. Articles 85 to 94 and Article 37 of the Treaty establishing the Economic Community and Articles 65 to 69 of the ECSC Treaty make it possible to keep watch on agreements between undertakings and agreed practices which are designed to or could succeed in limiting or distorting free competition within the common market.

What is more, these articles prohibit — within certain conditions — aid granted by States to firms if such aids distort competition to the detriment of consumers. It is worth pointing out that competition policy is one

Weil

of the rare fields of Community policy for which the Commission of the European Communities is directly responsible in the sense of implementing the provisions of the Treaties. Such implementation takes place within a framework of general provisions, adopted by the Council subsequent to a proposal from the Commission and an opinion from Parliament; of course, they are also under the jurisdictional control of the Court of Justice.

That explains the major importance of the European Parliament's monitoring of the Commission's policies in the field of competition. Above all, this monitoring takes the form of examining the report that the Commission presents annually which is a complement to the general report on the activities of the Communities.

In 1981, when it was time for the examination of the Tenth Annual Report of the Commission on Competition Policy, the Legal Affairs Committee was called upon for the first time to give an opinion in this field. This year is the second occasion that the Commission has prepared an opinion on a question which — as we can see from reading Mr Papantoniou's excellent report — is complex and vital, both legally and economically.

The observations adopted by the Committee on Legal Affairs can be found in the opinion annexed to Mr Papantoniou's report and I recommend you, therefore to refer to this document. Given the complexity of the question, and since I am just the chairman who is replacing the draftsman, I think that it is better for you to refer to this text yourselves.

I should nevertheless like to say by way of conclusion that the collaboration which has grown between the Committee on Economic and Monetary Affairs and the Committee on Legal Affairs should be strengthened as it is indispensable. I believe that I am expressing the opinion of the entire Legal Affairs Committee when I say this. Only in this way will Parliament's surveillance of the Commission's activities in this sphere be carried out more effectively and completely.

In order to respond clearly to Parliament's ambitions, this surveillance must be applied to the recent developments described in the annual report and to the way in which the Commission of the Communities has followed the recommendations and opinions formulated by this House.

Mr Andriessen, Member of the Commission. — (NL) Mr President, may I begin by begging your indulgence for the fact that my introduction to this debate will of necessity be of a somewhat diversified nature. This is because the House has decided to add to the report on competition policy five oral questions with debate, and I shall endeavour to cover all these

aspects in my introduction. Inevitably, though, my contribution may well finish up looking something like a Christmas tree, where the tree itself gradually gets obscured by all the decorations hung on it.

Mr President, the rapporteur rightly said — and Mrs Veil made the point again — that competition policy is one of the cornerstones of the European Community and that in this respect the Commission has powers of its own which can be applied without further ado in the Member States. This is one area in which the Commission has real powers whereby — unlike other matters which result in a proposal being put to the Council and the European Parliament being asked for its opinion — formal consultation of the European Parliament is more the exception than the rule. I therefore go along wholeheartedly with the two honourable Members in thinking that it is a matter of great importance that, once a year, we should discuss the report on the Commission's competition policy here in this House.

That does not mean to say, Mr President, that this is the only opportunity we have for an exchange of views on competition policy between the Commission and the European Parliament. I recently had the pleasure of speaking on competition matters in the Legal Affairs Committee and the Committee on Economic and Monetary Affairs, and I have every intention, should the committees wish me to do so, of doing the same at the appropriate times and occasions in the future. As I said before, although there are, generally speaking, no set provisions for Parliament to be consulted formally on competition policy — neither in the Treaty nor in administrative provisions — I am of course prepared — as I said to the committees — to forward draft regulations the Commission is working on in good time to the appropriate committees of the European Parliament. It will then of course be up to the committees to decide whether they would like an exchange of views with the Commission on the subject.

Mr President, competition policy has come under intense pressure over recent years. The serious economic situation has led business interests to intensify the call for government aid and has caused many businesses to try out all kinds of cooperative enterprises to help them to keep their heads above water if at all possible. This of course raises problems from the point of view of competition when this kind of cooperation takes the form of agreements on the share-out of markets or price-fixing. As your rapporteur rightly said, competition policy can and must play an important part in the process of industrial renewal. That is a point I would wholeheartedly endorse. Precisely at a time of economic recession, it is playing with fire to use all manner of protectionist measures to put off or delay the necessary restructuring of the production and distribution system. By doing so, we are not only passing on our problems to those who will have to deal with them in the future — we are at the same time

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aggravating them and making it that much more difficult to find a way of overcoming them.

You have only to look around you in the Community to see quite enough instances of what I am talking about.

Mr President, on the point of government aid, let us not forget that government resources are inevitably derived to a very large extent from business profits and are not being put to the most productive possible use. By pursuing this kind of policy, we are in effect undermining our own chances of ensuring a strong and thriving European economy in the medium term.

Mr Bangemann too refers in his question on the Community's competitiveness to the aid aspect, and on this point I should like to go into a few other aspects of his question. In a series of recommendations and communications addressed to the Council over the last few months, the Commission has stressed that, in its opinion, the restoration of competitiveness on the part of European industry would be best fostered by a favourable climate for investment. The fact is that investment climate is dictated by a number of factors, some of which I shall mention very briefly. On the macro-economic level, the Commission is thinking of improved stability of exchange rates and a reduction in the rate of inflation, interest rates and budgetary deficits. It is essential that we redirect our thoughts to the transfer of incomes, and in particular to the modalities and the scope of social welfare expenditure. The Commission feels that it is possible to do something about this factor without touching the lowest income levels. We must also be alive to the danger of cumulative deflation. The Commission therefore feels that, in those Member States in which there is no further room for reducing interest rates and where inflation has been cut to a low level, budgetary policy initiatives designed to underpin economic activity may well be compatible with the aims of monetary policy. However, because of the imbalance in government finances in the countries in question, care is of the essence. The Commission takes the view that the fight against protectionism — both world-wide and within the Community — is of fundamental importance in terms of boosting investment. As far as the internal market is concerned, what this boils down to is the rapid dismantling of barriers to trade and the prevention of the introduction of new obstacles. The gradual opening up of the market for public authority contracts is another significant factor in this respect at Community level. There can, after all, be no doubt that aid measures and certain tax exemption provisions — along with all manner of specific stimulatory measures — are designed to protect Member States' own industries, thus making them a protectionist element too. The Commission is currently engaged in charting all these various measures with the aim of combating infringements of the rules on competition and, wherever possible, taking the initiative to harmonize national measures which are tending to distort competition but

which cannot be regarded as aid within the meaning of Article 92 of the EEC Treaty.

Mr President, looked at in this way, there are clearly many linking elements between our competition policy and other policy sectors, something which is rightly brought out in the report. I am thinking here of industrial policy, our policy on the internal market, trade policy and macroeconomic policy. The resolutions passed by the European Parliament tend to bring out these linking elements. If only because time does not permit, I cannot discuss this question in detail today, but I can give you an assurance that not only do I not underestimate the links — I believe the question to be so important that I am actively pursuing coordination of competition policy with other policy elements. I most emphatically deny that the work done by the various departments of the Commission on this issue has been unsatisfactory. Of course, there is always scope for improved cooperation, and of course our aim is to do just that, but, Mr President, I reject the suggestion that competition policy is being developed in isolation — as it were — from industrial policy and other policy sectors. That is certainly not the case.

Mr President, the oral questions tabled by Mr Nyborg on the effects of the Swedish devaluation and by Mr Welsh on the multifibre arrangement indicate just how closely connected these various policy sectors are. Although the free trade agreement between the EEC and Sweden incorporates no obligations on exchange rate policy, Article 23 of the agreement does contain certain provisions regarding competition, albeit only in the narrow sense of the word, as covered by the competition chapter in the EEC Treaty. However, the Commission has made it known to the Swedish Government at political level that it regards this devaluation as an aggressive act in that it is clearly directed at increasing the Swedish share of the market at the expense of Sweden's free-trading partners, and that we therefore regard the devaluation as a violation of the free trade agreement with Sweden.

The background to Mr Welsh's question has more direct links to competition policy. Under the terms of the multifibre arrangement, the EEC has concluded agreements whereby the principal suppliers have undertaken to restrict their exports to the Community. The only country with which no agreement was reached was Argentina, and the Council has decided to implement unilateral provisions *vis-à-vis* that country. Although the GATT general agreements to borrow in the agreements concluded with Hong Kong, Korea and Macao are lower than was originally planned, the overall result is still below the ceiling set in the negotiating mandate, and for that reason the Council decided that the Community should remain a party to the multifibre arrangement.

This approach proved necessary because the European textile industry was clearly not in a position to cope with the rapid growth of new suppliers. The main fea-

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ture of restructuring in our textile industry has been a major shakeout of workers. Unfortunately, the policy of specializing in high-quality products — a field in which competition is not so fierce — has not brought the expected results. The essential restructuring process needs not only time but also sources of finance which, in many cases, are beyond the means of companies whose financial basis has been seriously shaken. As a result, a number of governments have decided to make various forms of aid available to the textile industry.

In the face of aid of this kind, the Commission always applies its general criteria regarding aid to crisis-hit sectors, i.e. the aim being to ensure that, so far as possible, one Member State's problems are not passed on to the others. What this amounts to in practice is that government aid must not be of the operational kind, whereby competition conditions are directly affected, but must instead be directed towards rapid restructuring, in part by reducing surplus capacity, and in part by consolidating the remaining plant and equipment by modernizing and specializing. Over recent years, the Commission has gradually adopted a more selective approach, whereby national programmes are viewed not only from the point of view of the total amount of aid forthcoming, but also — and especially — from the point of view of the effect of the aid on the most sensitive sectors. That explains why the Commission has increasingly been placing a ban on aid to sub-sectors in which there is surplus capacity at European level or where the Member State in question has a significant share of intra-Community trade. In this way, the Commission is endeavouring to keep the competition-distorting effect down to a minimum, while at the same time helping to bring about a restructuring of the sector to make it viable in the long term. Clearly, any new Dutch policy on textiles must comply with these criteria. In reply to Mr Bange-mann's question, I can also say that extensive bilateral discussions have already taken place on the Dutch issue, but that no formal statement can be expected before the beginning of next year.

Mr President, I should now like to reply to a few more specific points from the motion for a resolution, in which your rapporteur calls for a sectoral structural policy. Allow me to point out that this is already the case in those sectors which are clearly hard hit by the crisis, for instance, steel, shipbuilding and textiles. In particular, the granting of government aid is made contingent on a number of criteria intended not only to limit the resultant competition-distorting effects, but also to facilitate the coordination of industrial policy. I would, however, warn anyone against trying to go too far in this respect. My view is that it would be wrong for us to try to tell European industry precisely what policy to pursue. I take the view that primary responsibility must rest with business itself, which is of course where the best know-how is to be found too. The Community's role is to create the right

outline conditions, to coordinate policy initiatives and, wherever necessary, to stimulate specific activities.

On the other hand, I think it a good thing that, where to Commission carries out analyses of particular sectors, we should take into account the forms of cooperation between the various firms and the various kinds of public financial aid. Analyses of this kind are important from the point of view of assessing whether particular forms of cooperation are compatible with Articles 85 and 86 of the EEC Treaty and/or whether particular forms of aid may be deemed to be in the Community interest. What I am not very keen on, however, is a kind of timetable telling firms in a particular sector what Brussels would like them to do.

Mr President, I said just now that, in applying Articles 85 and 86 of the EEC Treaty on the one hand and the aid provisions on the other, we must work on the basis of the same fundamental macroeconomic ideas. In this respect, I go along with what your rapporteur had to say. This problem crops up, for instance, with regard to what to do about aid in connection with compliance with criteria of what counts as a Community interest. My view is that what Article 92 of the EEC Treaty refers to as 'of common European interest' must be more than just the selfish interests of the recipient company, and I can confirm that, in line with the motion for a resolution, the Commission takes a fairly liberal view of Community objectives such as the development of new technologies and the more economical use of energy resources. Commission officials are currently working on a kind of framework for both these sectors — we call it an *encadrement* — with the aim of showing the Member States and interested parties what our criteria are and to what extent we are prepared to accept a certain element of competition distortion in the interests of these Community objectives.

Following the European Court of Justice's judgment on the so-called transparency directive in July of this year, the Commission has actually begun implementing the said provisions. As public sector influence increases in the Community, there is a growing need for clarity as regards the financial relations between the Member States and public sector undertakings. Once we have gained some experience in the application of the directive, it will be up to the Commission, within the foreseeable future, to decide whether the scope should be extended to industries which are not at present covered, and I am thinking here not only of the transport element mentioned in the motion for a resolution. However, let us not delude ourselves into thinking that the potentially competition-distorting factors arising from the behaviour of public sector undertakings can be brought entirely under control. I am thinking here of possible complications regarding Articles 85 and 86, but also of the policy of purchasing national products wherever possible.

In reply to Mrs Pruvot's question, I should like to reiterate the Commission's position, which is that public

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sector undertakings are subject to exactly the same rules and regulations as private companies. This applies both to the application of Articles 85 and 86 of the EEC Treaty and to any government aid channelled directly or indirectly to public sector undertakings. As I said earlier, the Commission is now in a position, thanks to the transparency directive, to gain a substantial amount of insight — albeit with just a few reservations — into the financial relations between governments and public sector businesses, and the Commission will not hesitate to make use of the powers at its disposal should we find that these relations amount to a violation of the Treaty.

Mr President, there is one more point I should like to make with respect to the application of Articles 85 and 86. I appreciate your favourable opinion on the procedural changes that have been made. In next year's annual report, you can expect to find further details and first impressions of the experience we have gained in this respect, and this goes too for the delicate problem of legal privilege. Unfortunately, I am not in a position today to present a firm opinion on this point to the House.

It is hoped that the new collective exemptions which are now being studied will help to bring about a rapid reduction in the number of requests for exemption which are still awaiting a decision. Members of this House themselves have complained that the new distribution regulations are too detailed. Mr President, while not ignoring criticism, I should nonetheless like to point out that a certain amount of detail is inevitable, especially in regulations pertaining to particular sectors. It is essential here to strike a balance between what does and what does not come under the terms of a particular regulation on the one hand and a degree of flexibility with regard to wording on the other. I would not claim that we have always succeeded in striking just the right balance, but I can assure you that we are endeavouring to take as much account as possible of the criticisms which have been voiced.

As regards competition in air transport, Mr President, the Commission will shortly be producing an interim report, setting out a first approach to a check on the aid granted to airlines. The Commission regards these new proposals for monitoring aid payments as a matter of major importance, given that practically no progress has been made in the Council on the proposals put forward by the Commission on competition in the air transport sector — and the same goes, incidentally, for shipping. The Commission is very concerned at the moment about what can be done to make progress on this matter.

Mr President, following on from the debate which took place earlier in this House, the Commission has undertaken a number of studies on the question of book prices. The studies have been carried out by reference to language areas, and the results are now gradually coming in. I cannot at the moment — and I

can appreciate your impatience — provide any definite information on the matter, but I shall inform the House as soon as possible — in fact, as soon as I have received the results myself.

Mr President, I should just like to make one point on regional policy, an important matter which is attracting increasing attention in the Member States and which is most certainly not the easiest element of competition policy. In the recent past, the Commission has taken a number of decisions on the national regional aid programmes, which are looked at in the first instance in terms of the disparities within a particular Member State. Attention then focuses on the Community context, and in line with the policy set out in the report on the Commission's mandate, the Commission allocates less in the way of aid to the central areas of the Community than to the peripheral regions.

It is in these central regions that there is the greatest danger of a distortion of competitive conditions. In addition to all this, the Commission endeavours to ensure that the structural regional problems are not confused with short-term economic problems. I realize that the results of this policy are sometimes embarrassing to certain regions, but as I said in my reply to Mr Bangemann's question, the Commission feels that short-term economic problems must be tackled by more appropriate measures. Clearly, the only way the Commission is going to retain the Member States' confidence on this point is by adopting an objective approach to the problems obtaining in the various Member States and by subjecting these problems to a coherent appraisal.

Mr President, as I said at the beginning, my speech has been somewhat bitty because of the number of subjects I have tried to cover, but I should like to conclude with a word of thanks for the support this House has always given to competition policy, and it is clearly prepared to do so again this year by way of this motion for a resolution. I should also like to say that I regard the criticism that has been voiced as a positive element and as evidence of support for the Commission's policy. In particular, I shall be pleased to take the point of underpinning competition policy more by way of economic analysis. Indeed, I should like to give you a specific undertaking in this respect if it were not for the staff problems, which are perhaps somewhat less acute now than they have been in the past but are still such that I cannot go along with all the wishes expressed in this respect by honourable Members.

I shall, however, be taking a look at the ways in which the available manpower can be put to the best possible use.

Mr President, I attach great importance to the exchange of information and consultations on competition policy with all interested parties. This of course applies first and foremost to the European Parliament,

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but also to the Economic and Social Committee and the other institutions. In particular, I shall be pleased to go along with your suggestion to bear in mind the flow of information to small and medium-sized undertakings. The problem here is that small and medium-sized undertakings constitute a highly variegated — and hence not readily accessible — category. I should also like to remind you that, in the recent past, I have had direct discussions on problems and aspects of the Community competition policy with both the trade unions and the employers' organizations.

Mr President, I should like in conclusion to thank the House for organizing its debate on this eleventh report in such a way that the motion for a resolution can have some influence on the content of the twelfth annual report, which the rapporteur likewise mentioned. That is, in my opinion, the best way of taking account of the points expressed by this House. Without giving any assurance that you will be able to say next year that all your wishes have been taken into account, I shall at least endeavour to do so as far as I possibly can.

Mr Jacques Moreau (S). — (*FR*) Mr President, ladies and gentlemen, I have listened attentively to Mr Andriessen's proposals, and I should like to begin by acknowledging the progress made in collaboration between the Commission — and more particularly the Commissioner — and the Committee on Economic and Monetary Affairs.

However, while the desire to collaborate exists, it is not great enough. The Community's competition policy is at a turning point which must be taken if we want it to correspond to the problems with which we are faced. I am well aware of the direction that the Commission wishes to take and we in this House will try to help it by making its task easier, and, perhaps, by speeding up the process.

My Group believes that competition policy has a vital place in the construction of the European Community. But such a policy has to meet the requirements of the current situation and must not have the detrimental effects of weakening further our economies and industries.

The first thing which must strike us is our productive, social and regional diversity. This diversity has an impact on the Community's competition policy. Our Amendment No 3 acknowledges this fact and we would make it the second paragraph of the motion for a resolution, since we are convinced that this disparity conditions competition policy to a fundamental degree. Apart from this amendment, we hope — as the explanatory statement in Mr Papantoniou's report indicates — that the Commission will give all its attention to differences of taxation and prices between one Member State and another. Can it be considered normal that consumers are obliged to pay highly variable

prices for products such as cars, pharmaceutical goods, alcohol, household equipment, Hi-Fi systems and so on after 25 years of being in a European common market? As we all know, these differences have a perverse effect. Above all, they denote the need to redefine aid policy and the attitude which needs to be developed in this sphere.

We are all convinced that account must be taken of the stage of industrial development reached by Member States. This perspective is defended in our 4th Amendment concerning future or growth industries. Refusal to acknowledge the facts could lead to a paradoxical situation and, against all expectation, to industrial collapse. That is why it is vital to bear in mind the conditions of production and the industrial situation in each country.

The Community's competition policy should also be a realistic policy seeking to promote industrial development and service industries. Indeed, in this period of great changes, as we have always said, competition policy should not be an end in itself. It is one method — sometimes an effective one — of promoting economic and social progress. Therefore it should not be patterned on the traditional model of competition, if I may call it that, but should evolve as part of a dynamic vision of our Community.

Everyone agrees that the European economy is going through profound changes which will no doubt last a while. These changes, which began about 10 years ago, affect all aspects of economic and social life. In this difficult period, the Member States and firms are looking for measures which will help them to overcome their present difficulties and that explains why some have resorted to protectionism or to stepping up various types of aid. The market is splitting into more and more segments and obstacles to trade are multiplying. Let us not underestimate these threats, but at the same time let us bear in mind that it is not enough just to point them out; above all, we must create the conditions for cleaning up these practices in order to benefit the Community.

It goes without saying that the problem of keeping an eye on this aid is at the centre of our worries today. In this period of intensive industrial restructuring, what is important is not so much the amounts of aid — although this aspect cannot be ignored — but their form and the purposes for which they are intended. It would hardly be realistic to ban all subsidies. On the contrary, a distinction ought to be drawn between subsidies which distort the normal operations of the Community market and those which increase the Community's options. That is the thinking behind our Amendment No 1.

Amendment No 6 shows our appreciation of the position taken by the Commission on the nationalization which took place in France this year. Nobody would contest a country's right to take those measures which

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it deems necessary to achieve the targets approved of by the majority of its population, provided that, of course, these decisions do not go against the rules on which the Community edifice is based. The Commission adopted this viewpoint, particularly since public ownership of industry — in its multiple forms — exists in all of our countries. Our role is to make sure that fair practices are observed and that the rules of competition are also respected. Our common market is open to the world — too open, some people might sometimes think. Multinationals have an impact on this market in a way which is often decisive.

We tackle this delicate question in our Amendment No 7. It is true that, if we wish to establish healthy competition, specific problems are raised in the management of transnational firms and relations between main companies and their subsidiaries. It is a pity we do not have more information about multinationals. We urge the Commission to speed up its work on this subject, draw its conclusions and make proposals to guarantee that the common market functions normally and equitably. Those are the main concerns of our fifth amendment. In many cases, multinational companies are opposed to the interests of consumers and legitimate public interests as a matter of course.

Finally, before summing up, I want to stress the accumulated delay in dealing with competition affairs. Even the eleventh report points out that 4 365 cases are still being examined. How much time will be needed to clear this backlog? This fact alone — it seems to me — argues for increasing the numbers of staff in the Directorate General for Competition. Mr Papantoniou's report explores a number of interesting structural reforms, but I feel I have to say that such reforms cannot be disassociated from a review of the Commission's resources.

To conclude, I should like to insist on the importance of an active competition policy, given the economic battle we are waging. The ability to compete is crucial to the economy nowadays. Unless we have a well planned and adapted policy on competition, the ability to compete in the way in which we understand it in our Group will not be feasible.

We therefore endorse Mr Papantoniou's report, which marks a further stage in the drawing up of the competition policy which seems so vital to us nowadays.

Mr Franz (PPE). — (DE) Mr President, ladies and gentlemen:

Utmost achievement is only possible at the cost of a struggle. In economic affairs, the struggle takes the form of competition and therefore as many sources of creative and executive energy as possible must compete with each other in all areas of the economy.

These words are taken from the economic programme drawn up in 1941 by Karl Goerdeler, the former

mayor of Leipzig, who would have become Chancellor of the German Reich in 1944 if the attempt on Hitler's life had been successful.

I believe that this applies today just as much as it did then. Protectionism is a contagious disease which results in death. In order to achieve a world-wide revival of economic growth, confidence must be restored in the future of as free a market as possible. Placing restrictions on or even closing off one's own market and at the same time demanding access to other markets is not a feasible alternative, and in my view is tantamount to folly. My group, the European People's Party, agrees with the Commission on this point.

The Commission's eleventh report is altogether a good report. The Commission's efforts towards more competition should be appreciated. Mr Papantoniou stresses this in his report. However, at the same time, and we cannot but support him on this, he has pointed out that there are still a number of deficiencies and requirements which need to be attended to. The Group of the European People's Party, too, feels that these must be dealt with urgently. We therefore approve of Mr Papantoniou's report.

I would now like to refer in particular to a point mentioned in Mr Papantoniou's report, in paragraph 59 of the motion for a resolution: the lack of a chapter on non-tariff barriers. Mr Andriessen referred to this problem in his introduction. There is no mention of it in the report, however, although we clearly asked for this important topic to be included, when Mr Beazley made his remarks on the Tenth Competition Report.

At the meeting of the Committee on Economic and Monetary Affairs of 4 November, a representative of the Commission pointed out that the non-tariff barriers had no place in the Competition Report as far as the Commission was concerned. I believe, however, that this can only have been a case of a poor choice of words. I am very pleased about Mr Andriessen's remark that the rumour about problems of competence within the Commission being the reason for this decisive chapter not being included in the Competition Report has so far not proved to be true.

Despite the negative verdict of the Commission's representative, a large majority of the Committee on Economic and Monetary Affairs referred to the need for such a chapter to be included, and quite rightly because competition is only possible and feasible internationally and we can only stand up to it if we have unrestricted competition within the Community. If we restrict it within the Community with non-tariff barriers, we will not in fact manage to deal with either structural problems or unemployment or worldwide competition.

In this respect, I would like to ask Mr Andriessen very kindly, since he spoke of a Christmas tree with candles, to crown the Twelfth Competition Report with

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this new candle. I, at any rate, as rapporteur dealing with the Twelfth Competition Report — and I should like to give you this gentle warning — will recommend its rejection if this important chapter is again missing.

(Applause)

Without a fully operational domestic market it will no doubt be impossible for us to overcome our problems. At our 'Europe without customs barriers' demonstration in Aachen on 6 May, Mr Narjes said that if we did not want our grandchildren to criticize or ridicule us in 30 or 40 years' time, it was now up to us to convert our resignation, anger and indignation into concerted action. Instead of calling for more protectionism, more subsidies and more trade barriers, we should have more confidence in our own strength. Confidence in one's own strength is one of the finest virtues in difficult times. Kästner, in particular, has pointed this out. These are the most important raw materials for developing a country. In our Europe, which is short of raw materials, let us promote and apply these virtues at least!

Mr Beazley (ED). — Mr President, the short time available to me does not permit me to deal with all the details of the Papantoniou report, so I will restrict my remarks to a general plea to DG IV and the Commission to interpret the powers given to them under the Treaty of Rome for the purpose of assisting the development of the common market which it was the intention of the Treaty of Rome to create.

I would immediately emphasize that I believe earnestly in the rightness of the principles on which the Community's competition rules were conceived and enacted, and I further believe in their enduring character. However, the point I wish to make is that the creation of the common market, as envisaged by the founding fathers, has proved much more difficult to achieve than was originally expected. The competition rules of a nation in the past have normally been created for developed markets. Their need has arisen from distortion of fair-trading practices and the need to create the conditions in which a vigorous economy can be stimulated by fair competition.

Now it may be said that competition policy may be used to help create a common market and it is without doubt true that this is the case. I have no doubt that the correct interpretation of the relevant parts of the Treaty of Rome will play their full part in this respect. I suggest, however, that we must consider what the nature of the market is for which these rules are to be interpreted.

The European Community is one whose wealth creation is based in the main on trade — trade derived from services and industry. Without a strong wealth-creation basis the Community has no power with which to create the necessary standard of living of its

peoples, let alone to assume responsibility for its vital activities under the Lomé Convention with the Third and Fourth Worlds. As a trading Community we naturally have a very low peripheral tariff wall — very much lower than those of the major trading blocs of the world. Our Community must be fully competitive in the world. Furthermore, it must at the same time restructure much of its basic industry and many of its service industries to become competitive, not only with the USA and Japan, but with many of the newly industrialized countries. There is naturally no place for protectionism within the Community, but let us be clear that the main cause of national protection arises in the area of state-run industries, of state-aided industries, where the state-inspired non-tariff barriers of all types exist and are even being newly created. Our main problem is in using the Community's competition policy and its powers through the courts of justice to ensure the adherence of Member States to their obligations under the Treaty.

It has clearly been much easier for DG IV to achieve acceptance of the competition policy by services and industry than by Member States. DG IV must employ no less vigour in attacking the abuses practised by Member States than that used against free-enterprise industries and services. But DG IV, and the whole of the Commission working with it, must equally ensure that their powers are used in assisting the restructuring of existing and old-fashioned basic industries of the Community, on a Community basis, and ensuring that new industries and services, whether of high technology or not, can be established on a world-competitive basis.

As regards restructuring, I am sure that private-enterprise industries ask nothing more than the opportunity of restructuring themselves on the basis of their economic and technical fitness to be competitive in the internal and external Community market. They do not want to be feather-bedded. They need to be able to shed those parts of their range of products where they do not have a comparative ratio in favour of others, so as to be able to concentrate their skills, their finance and their efforts on those where they do have it. Should they in fact have none, they need to be able to retire from the market to make room for others and for their assets, finance, techniques, skills and manpower to be redeployed. Would that Member States' nationalized industries showed equal respect for both competition policy and for market forces!

Mr President, a completely new, dynamic attitude needs to be shown by Member States to competition if our Community is to be able to earn its living in the world. Mr Bangemann's resolution is very refreshing in the way it points out the sad and serious results of Member States' disregard of the facts of life. The hard times which the Community and the whole world are at present enduring have drawn attention to the reality of the economic basis of our modern society. Wealth has to be created before it can be distributed. It is the

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duty of Member States' governments within the Community to so regulate their actions that wealth can be created. And it is the duty of the Community's competition policy to ensure in the internal/external market that fair conditions are created and strictly maintained to ensure that this is so.

Mr Leonardi (COM). — *(IT)* Mr President, I shall be very brief. In his long speech Mr Andriessen made a number of points which I hope will be included in the next report on competition. For the time being we are concerned with the Eleventh Report, and this report is limited, as is pointed out in the introduction, to an examination of competition policy in the traditional sense of the term and according to existing instruments and procedures, whilst if we wish to assess the effects of the policy we must refer to other studies concerned with specific sectors and factors.

We must, therefore, try above all to look at instruments, applications and effects together. I shall not harp on the importance of competition policy in the Treaties. The fact that the Commission has direct powers — and this has been stressed on several occasions — does give it particular responsibilities in a situation such as the present, where our Community is becoming increasingly uncompetitive, where the unemployment rate is rising and so on. We cannot carry on using an instrument like competition policy in the conventional way, as if we could achieve the objectives of the Treaties of Rome by encouraging competition, which was considered one of the basic factors. We must make up our minds to find out whether or not these results have been achieved particularly at a time when we, as a Parliament, are also faced with the problem of reviewing the Treaties themselves. The very fact that competition was one of the fundamental subjects of the Treaties when they were drafted is the reason why we must now look at the results that have been achieved so far in order to decide whether they constitute a reason to change the Treaties.

I may add that Mr Papantoniou recognizes this need in various paragraphs of his motion — points number 45, 41, 56 etc — but without treating it — as, moreover, he could not do in his capacity as rapporteur — as a priority. I, however, as a Member of this Parliament, consider that I can assert that it must henceforward be a priority. We must go some way towards creating the right conditions, through suitable common policies, for the competition policy to take effect.

Let me remind you of something Mr Papantoniou said in his explanatory statement when he pointed out, quite rightly, that there are no clear signs of any progress towards the goals previously set by Parliament of strengthening economic research and better integrating the aims of competition policy with those of other Community policies. I am in full agreement with this remark. This is the very area in which efforts should

be concentrated when the next report on competition is published. This report will have to be harmonized with other reports and with the other efforts which the Commission and others are making, with a view to giving a more long-term image to our policies.

In conclusion I shall try to give you a concrete example of what I am talking about by reminding you that, for example, in the final section on the Eleventh Report an important piece of information is set out: we are told that, in 1980, a reversal of the existing trend regarding the acquisition of shares in enterprises within the Community took place. In other words: whereas previously such participations involved only undertakings located within the Community itself, today the shares are mainly purchased by firms located outside the Community. This is a very important development because it is related to the effects of competition, entrepreneurial skills etc. But we cannot confine ourselves to looking at this trend from a purely statistical point of view. We must examine it and analyse its importance, so that this undoubted and important feature may play a part in the political decisions which we shall all have to take.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR LALOR*Vice-President*

Mr Delorozoy (L). — *(FR)* First of all, let me thank the five other Members who have been good enough to come back into the chamber to listen to me. I am flattered. I also welcome the presence here tonight of Mr Andriessen.

The Commission's Eleventh Report marks an advance in the Community's determination to pursue a firmer policy of monitoring industry to check that the rules of competition are being observed. This is an important point, but one which, on its own, is not enough to stimulate a lasting recovery in production and promote an economic upturn in Europe.

The fact is that when international competition has taken on almost worldwide dimensions we must be firm in order to prevent the spread of protectionism, which would not contribute anything effective or positive in the medium and long term, we must continue to be open to the need to maintain temporary exemptions from the rules in order to permit restructuring in certain industrial sectors or in certain service industries which are faced with competition which has the advantage of favourable cost differences resulting from aids of every kind granted by certain countries;

Delorozoy

we must also, more than ever, be firmly determined to do everything possible to coordinate our action, so that we can facilitate cooperation between firms within the Community in productive sectors where volume thresholds are necessary to maintain or develop competition through economies of scale.

Mr Papantoniou's report, by going over the various points dealt with in the Commission's report, has the merits of clarity, and we are in general in agreement with his analysis, his criticisms and his proposals. I shall not, therefore, go over them again.

I would, however, like to add one or two remarks and stress the fact that competition policy can no longer, should no longer, neglect the economic and social differences which exist between non-member countries and the Member States of the European Community in the way in which production is carried out. This is a difficult problem, but in future it will not be possible to solve it merely by signing agreements such as GATT or Lomé I, II or, shortly, III. We must be pragmatic and take more account of the demands of economic reality in the economies of the Community. In our Community, there are, unfortunately, several economies which are divergent, or which are more divergent than convergent.

The rules governing behaviour that restricts competition must be applied to companies, but they must also be applied to States, by monitoring more closely the aids granted to industry — both directly and indirectly — in increasingly varied and multifarious forms. There is no need to anathematize aid that may be necessary and useful for industrial redevelopment, for restructuring and for promoting innovation. But we must take care to see that interventionism of this kind encourages and strengthens competition and facilitates adaptation to new situations, rather than slowing it down by artificially prolonging situations which have no viable future.

More and more aid is granted at national level without any central coordination and causes distortions to competition, to the detriment of those companies who make the necessary effort through their own resources. This is a new factor, but it is one that is becoming generalized and that is important. All this is perfectly well set out in the report, and I want to congratulate Mr Papantoniou once again.

Of course, Mr Andriessen, there are connections and interrelations with other policies, as you said this evening, but your job is to make use of these interrelations, not merely to note their existence or to deplore their existence. The Commission's task is, as we all know, a thankless and difficult one. The efforts which you have made should be recognized, but considerable progress remains to be made — progress which does not always involve expense — in procedures and, often, in the development of new attitudes.

But, unfortunately, as time goes by, greater difficulties begin to appear. There is stagnation in economic activity, a rate of unemployment which is assuming unacceptable proportions, deterioration in the terms of trade and a situation of international monetary disequilibrium which is unprecedented.

This situation justified the oral question to the Commission which is included in this debate and was tabled by the chairman of the Liberal and Democratic Group, Mr Bangemann, and we await with interest the measures, over and above the short answer given by Mr Andriessen, which the Commission will be obliged to adopt, in the form of exceptional provisions for an exceptional situation. From our point of view, it is no longer possible for the Council or the Commission or the Parliament to confine themselves to analyses, technocratic reflections and the production of reports. The time for that is past; action is now indispensable. This action must be in proportion to the magnitude of the problems we face at the end of 1980 and must match up to the challenges of our times.

Mr Cousté (DEP). — (FR) Mr President, ladies and gentlemen, the founding fathers of the Community were aware, and we are aware with them, of the benefits of healthy competition between companies in our Member States.

If it is properly implemented, competition promotes innovation and makes for rationality — since it facilitates market transparency — helps in the struggle against inflation and increases consumers' choice. These aspects are in evidence in Mr Papantoniou's report and he must be congratulated on the seriousness of the work he has done, though I have some reservations on his remarks concerning multinational companies.

All the same, we cannot speak of competition policy in this House without tackling the fundamental problem of the unfair trading practices of certain non-member countries. What is the point of our abiding by the rules within the Community if our partners abroad are not playing the game? These two matters are intimately related, Mr Andriessen, and it is vital that the Commission today should relate the problems of respecting competition in the Community to the fundamental problem of drawing up a consistent Community trade policy.

The fact of the matter is that if competition policy proper is an important aspect — as you yourself said, Mr Andriessen — of Community policies as a whole, there can be no question of using it as a screen to conceal the reality of other policies, namely industrial, social — and as I have already remarked — trade policy.

At this juncture I shall say a few words on the connections between competition policy and industrial policy.

Cousté

At a time of crisis like the present there is a problem of compatibility between a genuine competition policy and the implementation of a dynamic industrial policy which will both help companies to adapt to an open and constantly changing world and at the same time prevent job losses. The crisis in the steel industry, the crisis in the textile industry, both of which were mentioned a short while ago, and competition from non-member countries, particularly Japan and the countries of South-East Asia, are all things which show us today that attitudes must be changed as quickly as possible. Now some people, on various occasions, have criticised national systems of state aid. We must recognize that, since they are more rapidly available and better suited to the situation, systems of this kind are back in favour again, quite simply because efficient mechanisms for the supply of Community aid cannot be developed fast enough.

Mr Andriessen pointed this out just now, and I would like to stress that the task facing the European institutions is to make the state intervention mechanisms viable at a time of crisis and to eliminate all the inconsistencies that we have experienced in the recent past.

How can we forbid new investment in the steel sector when the very same investment is encouraged in other countries? For this reason, Mr President — and I shall conclude with this — it is important that the Commission should attach more importance than it has done in the past to the development of small and medium-sized companies, especially as 1983 is going to be dedicated to small and medium-sized companies and craft industries. We must also strengthen legal security in companies, whether in the field of licences, patents, trade marks, company law proper, or in the field of tax harmonization. We shall of course approve this eleventh report by the Commission and also Mr Papantoniou's report.

Mr Welsh (ED). — I should like to congratulate Mr Papantoniou on his report and say that we always value highly his lucid expositions of socialist economics. We seldom agree with them but they are very well done.

I think it unfortunate that the chairman of the committee did not see fit to sit through this important debate, particularly when he has seen fit to move amendments which were all overturned when the committee discussed the Papantoniou report. There seems to me a certain lack of propriety in this.

My honourable friend Mr Beazley has addressed himself to the broader issues, and my gallant and learned friend Mr Prout will shortly address himself to the procedural problems. I should like to say a word however about my own oral question which concerns the Multifibre Arrangement. It is unfortunate that, after all the sound and fury, this considerable success by the Commission should be celebrated in a rather low-key

way. Few people appear to realize that this represents enormous success for the Commission negotiators, that they have delivered a series of agreements that nobody, two years ago, would have thought possible. It is unfortunate that parliamentary procedures do not allow us to record our gratitude in a more formal fashion but I do hope that Mr Andriessen will take back to the officials concerned my own warm congratulations — and I am sure those of the whole Parliament — on a job magnificently done.

The textile industry of Europe will be very foolish if it ignores the benefit it has obtained from this agreement. If it is wise, it will now devote its efforts to making sure that it becomes so competitive that no further multifibre arrangements are necessary. Mr Andriessen himself has a responsibility here, particularly when we look at some of the textile plans that some of the Member States are putting up.

My other point concerns Regulation 6767 which is referred to tangentially in Mr Papantoniou's resolution. Mr Andriessen will be aware that the Committee on Economic and Monetary Affairs will shortly be discussing this issue. I believe that this is an area in which Parliament can be of important help and support to the Commission's approach.

I am sure that we will have the cooperation of Mr Andriessen and all his officials in reaching a sensible middle ground which the Commission can use as a political platform for negotiating its way through the treacherous waters of block exemptions, particularly in terms of exclusive distribution and purchasing contracts.

Finally, I should like to point out that this is not Mr Papantoniou's resolution, it is a resolution of the centre-right. It is unfortunate for any rapporteur to have to present a resolution that he fundamentally does not believe in and I congratulate Mr Papantoniou on the grace with which he did it. I can assure him, however, that we intend to sustain this resolution tomorrow and we look to our colleagues on the centre-right to make sure that it goes through in its present form, and not in the form that Mr Papantoniou would have wished.

Mrs Hoffmann (COM). — (FR) I regret that a debate on competition policy has been judged by some members of this House — in whatever form — a suitable pretext for attempting to attack the French Government's nationalization policy.

France has a long experience of state control of industry, an experience which has been positive for the workers and for the economy, since nationalized industries such as Renault, EDF and the SNCF have been for most of the time in the forefront of social progress whilst remaining competitive.

Hoffmann

It has been said that these companies are in a position to benefit from more favourable financial conditions and thereby sidestep certain Common Market rules on competition. Experience shows, on the contrary, that the public sector has always been financially exploited by the private sector, particularly by means of a device which consists of charging private industry for services rendered or for energy supplies at a rate below production costs.

The public sector is a vital component of French industrial policy and has a vital role to play in the process of social change in France. The French Communists are concerned that publicly owned companies should be properly managed in order to promote growth, to create new jobs and to help the workers obtain new rights.

Too often the world of business is organized like a monarchy. It is time to bring a little democracy into it, and we believe that the public sector must play an exemplary role in this respect.

Finally, as regards competition rules and, in particular, state aid, I should like to stress that the principle established by the Commission, which states that state aid, in particular to the steel industry or shipbuilding, can only be authorized on condition that productive capacity is shed and, with it, jobs, will not contribute to the necessary recovery in economic growth.

The criteria used are criteria of retrenchment. Of course, the policy on aids to industry cannot, on its own, solve the problem of growth, which must be looked at against the background of economic policy as a whole, because it is policies of austerity which result in economic stagnation.

It therefore seems to us, at a time when the Ten are devoting some thought to the means with which to promote a recovery in investment, that we must raise once again this common problem of the factors that determine growth.

Mrs Tove Nielsen (L). — (DA) Mr President, I would like to start by thanking Mr Papantoniou for being willing to lend his name to the sensible report which is being debated this evening. It is correct, as Mr Welsh too felt, that this report — fortunately I would say — has undergone major changes as a result of really good and thorough, as well as serious committee work. This is splendid in my view, it is a point which should be stressed: it really can be done when one is given a few good reasonable proposals for amendments and one is able to speak in their favour and mould the ideas coming from Parliament. I therefore feel that Mr Papantoniou should be thanked for continuing to be willing to back the really liberal competition policy expressed in the report.

The evening's debate includes two oral questions from the Liberal Group. One concerns the Community's

competitive capacity and national support, and the other concerns the Dutch Government's subsidies for the textile industry. I would like to say that it is not entirely by chance that there should be two questions from the Liberal Group on this subject, since it is completely clear that competition policy is something we in the Liberal Group take particularly seriously. Considering the situation we are in, it must be admitted that it is very important that we should try to protect ourselves on the internal market and do it in such a way as to allow us to face competition on the vast market outside our own common market. We therefore show our opposition when a Member State, whichever it may be, begins to support certain sectors. We feel this is something which largely helps to destroy the spirit on which our entire cooperation is based. Only recently — I believe it was a month ago — we held a debate on precisely the same thing, in the course of which I had the opportunity to stress that it was not one or particular Member States we were opposed to but any Member State at all, when we felt intervention was necessary.

Mr Andriessen took great pains in answering the Liberals' questions and said that, where support was concerned, it had to be of very short duration. Mr Andriessen, is it not unreasonable that the Dutch support arrangements, which were introduced in 1975, should continue to be described as being of short duration? I understood that this might be ended next year, i.e. in 1983, but would it not have been fair to take action somewhat earlier? Well, it is too late now, but let us ensure that this at any rate will not be repeated, whichever Member State may be concerned.

To conclude, I would like to say that one of the things we must also discuss, and which is new in the report on competition policy within the Communities, is section 5, chapter 1 in Part 1, where small and medium-sized companies are mentioned. In the Liberal Group, we believe it is very important to emphasize how essential it is that the small and medium-sized companies should be aware that, by applying the competition rules in the right way, they can help to create more jobs. This is where the future lies.

Mr Nyborg (DEP). — (DA) I have tabled an oral question on what the Commission proposes to do about Sweden. I am very pleased that it is Mr Andriessen who has to deal with this matter, because he normally acts quickly and firmly. It is, however, a very clear matter of Sweden having violated her trading agreement with the Communities by not complying with the paragraph stipulating that nothing must be done which may distort trade between the two partners. I would therefore ask that we examine even more closely than hitherto the question of imports of paper pulp and steel. It is only right, when we in the Community agree to supply less steel to the USA, that we should also try to restrict our own imports of steel. I therefore urge the Commission to start negotiations

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with Sweden and make it clear that the Swedes have violated the provisions of the trading agreement — and that way give them a rap over the knuckles!

Mr Prout (ED). — Mr President, we regret that this debate has not been given a more prominent place in the Parliamentary timetable. It confirms, I am afraid, the fears I expressed last month about the low priority accorded by Parliament to controlling the Commission in the exercise of its executive powers.

Like the rapporteur, my group welcomes the new section in the 11th report devoted to procedural matters. In particular, we are pleased to learn that the Commission supports a two-tier system of judicial review. We regret however that it is unwilling to support paragraph 41 of Parliament's resolution on the 10th report calling for the appointment of an independent person to chair hearings.

The Commission remains at the same time policeman, prosecutor, judge and jury in competition investigations. It seems unwilling to relinquish any of these roles in the interests of fair play. We urge the Commission to take particular note of the recommendations made by the Legal Affairs Committee with respect to hearings procedure so that it can meet the minimum requirements set by the rules of natural justice.

We are also concerned, Mr President, at the huge backlog of applications for exemption and for negative clearance. Apparently the number of pending cases before the Commission has risen to over 4 300 and some of these have taken up to 18 years to clear. Nothing is more damaging to business confidence. We do not believe that matters will be expedited, as the Commission suggests, by the prior publication of comfort letters in the Official Journal because the fact of publication does not seem to us to alter their legal status.

The Commission is proposing to introduce simplified exemption decisions in certain cases but we have not yet been told which cases and what simplified procedure. We urge the Commission to confer automatic exemption on an agreement after the lapse of a specific period.

Finally I would like to remind the Commissioner that Parliament's political powers of control are just as strong with respect to the Commission's executive powers as they are with respect to its legislative proposals. It is simply that we in this Parliament are less interested in using them. Our attitude must change if we are to discharge our responsibilities in this field properly. This is a problem, Mr President, to which we are currently addressing ourselves in the Legal Committee.

Mr Andriessen, Member of the Commission. — (NL) Mr President, what strikes me in this debate is

that virtually all those who have spoken have firmly emphasized the connection between competition policy and other aspects of policy, i.e. the interconnections, or however you wish to put it. Obviously, there is a connection with the differences in the tax systems and energy prices in the various Member States, and competition is also bound up with obstacles to trade — which continue to exist whichever way you look at it, and on occasion would even appear to be on the increase. Clearly, there is a link between competitiveness and the differences in costs in the various Member States, and a perfect common market is obviously not possible without a perfect competition policy, which in turn is not possible unless all the requirements are met. This is clear.

However, Mr President, the Treaty of Rome gives very precise instructions regarding competition policy — including competition policy in a situation where complete harmonization has not yet been achieved — and it is quite understandable that during a period of growth the negative aspects of a particular competition policy should have been far less apparent than at a time when growth is a thing of the past and numerous undertakings are in fact having difficulty keeping their heads above water. This, I think, is the new dimension which competition policy has to contend with, which is a reason for adapting it in the light of the current economic situation. However, it should not be a reason for doing without a policy which, as many speakers have rightly pointed out — and I am grateful for this — is central to the maintenance and the improvement of the common market insofar as it already exists. We will adapt the policy and we are prepared to acknowledge forms of cooperation between undertakings which are aimed at reducing capacity in cases where this is necessary for the restructuring of a particular sector. We are prepared to consider cooperation between undertakings when research and development are involved. We are prepared to provide aid in cases where we can identify a genuine Community interest — I am thinking here in particular of new technologies, innovation etc. We will adopt our policy, but it must nevertheless remain a policy which in itself makes the market economy as we know it in the Community — and this, as we all know, is not completely free — possible.

Mr President, I do not wish to say too much this evening regarding multinationals and transnational undertakings. As I see it, it is not so much the multinational or transnational nature of these undertakings which is of relevance from the point of view of competition policy, but rather the question of their position, influence and conduct on the market. If their behaviour is not in accordance with the provisions of the Treaty, we take action, and if it is, there is no reason for us to take any action, at least from the point of view of competition policy.

Mr President, Mr Franz asked whether a chapter on obstacles to trade on the internal market could be

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included in the next annual report. He even accompanied his request with a somewhat threatening remark to the effect that, if no such chapter was included, he would propose that Parliament reject the report. Talk of this kind makes me somewhat uneasy, and I should like to reflect on the question of how we can make the links which exist apparent, without making the annual report on competition compete with the General Report, since I do not know whether that would be a good form of competition or not. However, I can assure you that I will look into the question of how I might be able to ward off this threat which is hanging over my head.

Mr President, I should like to make a very specific observation for the benefit of Mr Leonardi and Mrs Hoffmann who are the only ones, if I have understood correctly, to dispute the fundamental importance of competition policy for the market and for the economic system as it operates.

I do not share the view that it is wrong for the Commission to make the granting of aid for restructuring in a sector which is in difficulties as a result of overcapacity conditional on reduction of the capacity. Indeed, I think quite the opposite is true, i.e. that we simply cannot prop up the sectors with excess capacity which are unable to find outlets on any market whatsoever and — whether we like it or not — excess capacity must be reduced wherever it is in evidence, since this would, I think genuinely contribute towards improving the employment situation in the longer term.

Mr President, I am very grateful to Mr Welsh for his appreciation of the work done by the Commission departments in connection with the Multifibre Arrangement. I share his view that they have done an important piece of work and will be pleased to pass his complimentary remarks on to those who are responsible in the first instance.

As regards Regulation No 6767 and its review, Mr President, I do not think this is the appropriate place to embark on a detailed discussion of questions of this kind, which are complex from the technical point of view and present considerable legal difficulties. These matters have been discussed, and the Commission is currently giving the question careful attention on the basis of the various reactions there have been. It is doing this with an open mind, while realizing — as I mentioned earlier — that a sectoral or group approach on the one hand obviously demands a certain amount of attention to detail if groups are to be saved from disintegrating, and that on the other hand people very easily get the impression that we are going about things in a very bureaucratic manner, which is certainly not the intention of the Commission.

Mr President, as regards textiles, I should like to say a few words for the benefit of Mrs Nielsen. I admit that sections of the textile industry have been receiving aid

in the Netherlands for some time — this is undeniable. However, I would point out that planning in the Dutch textile industry has always been dependent on the restructuring I have just mentioned, and that the Netherlands has at any rate been the quickest to reduce its capacities in recent years — which is not to say that the Commission would automatically approve a new plan as soon as that country submitted one — which it has not yet done, although contacts have taken place. Nevertheless, I do think that the plans submitted by the various Member States should be viewed in terms of the contribution they make towards getting this sector on its feet again, and I would have thought that the Netherlands was indeed making a contribution to this end.

Then an answer to Mr Nyborg, Mr President, I can inform him that we are currently holding talks with Sweden with a view to finding, in the context of the free trade agreement, a reasonable solution to the distortions which have come about as a result of devaluation. A separate arrangement applies in the case of steel, and this will certainly be extended. However, should we find that drastic shifts in trade flows come about in this sector, this would also be a point we would have to discuss with the Swedes.

Mr President, my final remark is addressed to Mr Prout. I am grateful to him for the points he made regarding the legal aspects of competition policy, particularly on behalf of the Legal Affairs Committee. The fact that these legal problems are also taken into account in the assessment of the Commission's policy I think enriches the debate. This is not to say that I entirely agree with all the views Mr Prout has put forward here. I would point out that the Commission's procedural amendments have, generally speaking, been favourably received by those who have to deal with these matters in their day-to-day work. I realize that, traditionally, there is a great difference between the British and Continental legal systems, and administrative law is no exception. It is the Continental system which is involved in the Treaties and their implementation. What we are trying to do is to improve the Continental system in any areas where improvement would appear necessary or at least desirable. A number of specific measures have already been taken in this respect. I am not saying that we have done all there is to be done, and I am by no means excluding the possibility of further streamlining, if I may put it that way, of our procedures when we have more experience to draw on, but I would nevertheless ask Mr Prout to give us an opportunity to carefully assess what we are doing, so that we will be able to introduce these changes or adjustments into our policy in a rational manner and with a view to having a procedure which is still usable from the Commission's point of view.

Mr President, to sum up I should like to say that the Commission is pleased at Parliament's positive approach to competition policy, the general outline of which we are discussing here this evening. I will take

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particular care in reading the many recommendations made in the resolution, and I hope that many of these suggestions will find a place in the annual report for 1982, which I expect to be able to bring out as swiftly as the report for the previous year.

Mr Papantoniou (S), rapporteur. — Mr President, I wish to make two short comments. The first is to express my satisfaction at the positive reaction of Commissioner Andriessen to the constructive criticisms contained in my report. I believe that this reaction is a very good omen for improvement in the cooperation between Commission and Parliament in the area of competition policy.

Regarding now, Mr President, the speeches made by representatives of political groups, I should like to express my gratitude for the kind words spoken by Madam Veil and other Members in reference to my speech and my report. I should like, in particular, to thank Mr Welsh for his compliments regarding the way I presented and explained socialist economics. I am not quite sure however whether he thinks that I have completely succeeded in concealing my socialist beliefs in presenting this report, or rather that these beliefs have somehow managed to find their way to the surface.

I have not noticed any particularly sharp opposition to the contents of my report. I believe that this reflects the fundamental agreement existing of this House regarding the objectives and instruments of competition policy. I welcome this fact and stress that uniting our forces on such an important issue will make a substantial contribution to the reinforcement of our role in the shaping of Community policies.

President. — I was afraid for a moment, Mr Papantoniou, that you might go into some detail about the tangential approach that Mr Welsh referred to. However, it is just as well you did not.

(Laughter)

The debate is closed.

The vote will be taken at the next voting time.

8. Customs union — Local transfrontier traffic

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

— the report (Doc. 1-642/82) by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs, on the Communication from the Commission to the Council on a 1982 programme for the attainment of the customs union

— the report (Doc. 1-641/82) by Mrs Desouches, on behalf of the Committee on Economic and Monetary Affairs, on local transfrontier traffic.

Mr von Wogau (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, there are actually few areas where the difference between what is claimed to be true and reality is as great as in a debate on the internal European market, because almost all panegyric speeches on the European Community sing the praises of the internal market and the European common market, but when we get back to reality and find ourselves at a frontier, we find that controls have become stricter again. Even if we compare the statements and decisions of the European Council with the decisions taken by the Council of Ministers a few days later, we find a vast difference between word and deed, and the path leading from word to deed is often a very long one in the European Community, especially in this area.

On the one hand we hear, time and time again, declarations in favour of free trade within the European Community, but then at the same time we see measures being taken which are clearly protectionist. We all know that the crucial question at the present time is whether this free trade and the doctrine of free trade are only a recipe for good times or whether this doctrine can also be applied in times of recession and unemployment. Parliament has repeatedly answered this question positively and assumes that the opening of the frontiers in the European Community as opposed to the closure of the frontiers within the Community may improve the competitiveness of European companies, which would then indeed be an effective means of fighting unemployment. We therefore expect from the Commission, too, that it should resolutely oppose the protectionist measures which are currently popping up everywhere like mushrooms after a warm shower.

We demand that the frontiers in the European Community be opened in line with the Benelux model. This must be accompanied by better safeguarding of the Community's external frontiers from criminality, drug smuggling and illegal immigration. We need a common aliens policy and a common policy for the issue and checking of visas; we need a common customs code and a common attitude towards products imported into the European Community from non-member countries; for the long term we also need a common customs administration for the European Community, which will be responsible for safeguarding the external frontiers; this also follows the logic of this Community since duties and price-adjustment levies are the Community's own resources and it is therefore logical for these to be collected by a common administration.

If, however, we wish the Community to become more apparent to its citizens, we must first of all achieve the

von Wogau

gradual abolition of personal checks at the internal frontiers. The first steps in this direction must be taken when the European passport is introduced, otherwise we shall find that the Community's citizens will treat it as just one more document and find that there is a world of difference between what the documents attest and what happens in reality. Here, too, Benelux provides examples showing that this sort of thing is possible, and we want to see actual visible progress in checks at the internal frontiers by the end of 1984, when the European passport is issued to the citizens of Europe.

A special problem dealt with this evening in Mrs Desouches' report is that of the minor frontier posts which are closed, for example, after eight in the evening, making it necessary for people living in the frontier regions and working across the border, say 2 km from their home village, to travel great distances of up to 90 km in order to get back to their home village. We therefore expect the Commission to present us with proposals soon, based on Mrs Desouches' report, on how the minor frontier posts which are closed in the evening can be opened round the clock, at least for the people living in the immediate vicinity. We also expect the German Presidency to make concentrated efforts, on the basis of the Commission's present proposals, to achieve some progress in the matters dealt with in this important report. I shall only mention a few points which have been on the Council of Ministers' agenda for a long time and are continually being deferred. We have, for example, the problem of products from non-member countries for which a compromise could finally be found, which would then allow us to obtain certain openings within the European Community, too. We expect import turnover tax and its collection to be removed from the frontier, since a very large proportion of the procedures still carried out at the internal frontiers concern import turnover tax. This is a tax and not a customs duty, and therefore it is only logical for it to be collected by the tax administration and not by the customs administration, and we expect that what can be done in the Benelux countries as well as in the United Kingdom can also be done in other Member States of the European Community once and for all; we also expect the abolition of statistical data collection at the frontier, which constitutes a further obstacle. We also expect several minor items such as the complications involved in the importing of working equipment to be dealt with by the Council of Ministers at long last, and furthermore, that progress be made at last with the procedures connected with mineral oil tax and its collection at the frontier. In order to achieve this, it will be necessary to devote at least one of the Councils of Ministers exclusively to this question of internal frontiers. This proposal was made as early as the last Belgian Presidency and was not implemented then. We hope this target will finally be met in the presidency ahead since we must at long last prove and show our electorate in 1984 that this Parliament and this Euro-

pean Community is capable of making practical progress for its citizens in difficult economic times, too.

Mrs Desouches (S), rapporteur. — (FR) Mr President, I wondered for a moment whether I would need to speak since Mr von Wogau seemed determined to present my report for me.

The report that I am going to present to you today, unlike the ones we have just heard, is not a report dealing with major principles. It is a very modest report concerned with one aspect of a general problem which is very often debated in this chamber: opening the internal frontiers of the Community.

The aim is essentially to attempt to improve the situation of frontier workers, those who, having the misfortune, as you have just heard, to be obliged to use small, isolated frontier posts, often come up against closed frontiers at certain hours of the day.

I have no intention whatsoever of harping on the symbolism of these closed frontiers in the heart of what is supposed to be a Community. But I am concerned to find practical solutions to this problem until the moment when checks at the internal frontiers of the Community are actually eliminated. What can be done to eliminate the need for frontier workers to make unpleasant, difficult and expensive detours when they are obliged to cross a frontier at a time when the absence of frontier post staff causes those frontiers to be closed?

I do not think that in the present state of affairs a single solution should be opted for. But, in my view, the problem of these frontier posts should be solved. This is why I think that two practical solutions should be adopted: the inhabitants of these frontier regions should be equipped with electronic cards (this is already the case in some areas) which can be used to open the barriers automatically, or, failing that, the crossing points, which are very probably little used, should be kept open, without any supervisory staff, with the option of carrying out periodic spot checks.

The first solution is expensive. It is somewhat bureaucratic, but perhaps, until we have something better, it is the solution that should be adopted in certain cases.

The second solution seems to me the simplest and the most sensible and, in addition, it would be a kind of advance, a first step, towards the complete opening of the Community's internal frontier.

It is true, and I note as much in my report, that Parliament has often drawn the attention of the relevant authorities to the problem of opening frontiers; it is true that the Commission has proposed measures to ease formalities at the Community's internal frontiers, measures to simplify checks on persons, etc., but the obstacles are still there and, quite naturally crossing

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the Community's internal frontiers is a more and more frequent event, both because means of communication have developed and because economic interpenetration within the Community has become a reality.

In conclusion, I think that we could accomplish a first step in the right direction, as I ask, by keeping these frontier posts open and I think that this would be a service we could perform for the cause of frontier workers.

Mr Rogalla (S). — (DE) Mr President, on an occasion like the present, a few days before Christmas, we are certainly entitled, given the importance of the topic, once again to express the wish that the Presidency — and I trust that you, Mr President, will pass this on to the appropriate authorities — would for once appoint some other time than this late hour for a debate of this kind on the internal market. Of course, we are quite happy to do what we were elected to do at an hour like the present, but perhaps we will have on some other occasion the opportunity to explain to a larger audience, with everyone listening in rapt attention — and that includes Members of this House — how important this matter of the internal market is, and how frequently the topic is going to be discussed in the coming weeks and months leading up to the next European elections. I should like to set out the attitude of the Socialist Group to the von Wogau and Desouches reports and preface my remarks by saying straight away that we fully support the basic ideas and attitudes of both these important reports.

Our motto can only be: *All checks out — more cooperation in!* I should like to deal in greater detail with the concepts of the customs union on the one hand and freedom of movement on the other, and then come back once again to the question of frontier workers.

Concerning the customs union, what we want is more cooperation. However much we appreciate the efforts of the Commission in this field, one thing is evident: the regular meetings of the Customs Union Service are not enough and can only be considered a suitable form of contact. What we must appreciate more is the importance of producing results. A European customs administration must be set up, and Mr Welsh is, as we know, on the point of preparing a report on this very topic — a report on the need to concentrate frontier checks on the Community's external frontiers. If we look at the customs union from the point of view of Article 9, paragraph 1, we see that it is initially only concerned with goods and technical obstacles to trade.

Mr von Wogau's demands in this respect are good ones. But perhaps it may also be pointed out in this connection that the Commission, and the Commission officials responsible for these matters must also leave their desks and call on their contacts in the Member States more than they have done hitherto, because the only work that is of any use here is the work of con-

vincing people, and that cannot usually be done from a desk. The essential point which I am concerned under this customs union — for, since that is not quite legally accurate, the internal market — is freedom of movement for persons which so far has had to take very much second place.

In a report submitted to us by Mr Junot I read the following sentence: 'There is really no need to repeat that freedom of personal movement is one of the bases of the European Communities.' There can be no one in this chamber who does not subscribe to that. The problem is simply that middle management — if I may express it in those terms — in all the Member States has so far succeeded in turning this sentence into an empty formula or in leaving it as an empty formula.

Whenever Question Time comes round we keep asking the Council the same old questions, and all we get, even from a President of the Council who comes from a Nordic Union where freedom of personal movement is the rule, is waffle about cooperation in the security field and in the fight against drugs. Every thinking person — and I assume that Presidents of the Council are thinking persons — knows that that has nothing whatsoever to do with reality — that these days quite different methods of cooperation are needed if one seriously wants to lay one's hands on terrorists and drugpeddlars. Permit me, therefore, to draw your attention to the Commission's interpretation of the legislation in question and ask all Members of this House not to keep the matter to themselves, but to make known everywhere that our Community legislation, the EC Treaty, provides a perfectly clear legal basis for freedom of personal movement: not just freedom of movement for workers, but for anyone, even if they are not carrying goods with them.

One more word on the proposals in Mrs Desouches' very important report, which concerns approximately 300 000 people in the regions of the Community bordering on internal frontiers, concerning the practical alleviations of their difficulties, that we hope for — let me mention only the cards to open frontier crossing points electronically. Surely it must be an easy thing to test something of this kind out, because we shall only convince the sceptics gradually.

In conclusion, I should like — and here I am also addressing myself to the Commission — to advise against following in this field a policy of preconditions and prior requirements, according to the motto: only when this or that has been done can something else be done. The Community must advance on several fronts at once. Of course, I am afraid that we cannot avoid adopting special measures here in this Parliament; the matter cannot be proceeded with merely through the work of convincing others. Some day we are going to have to meet in large numbers on the Rhine Bridge at Kehl to draw the public's attention to our just demands!

Mr Nyborg (DEP). — (DA) I must say that Mrs Desouches was much too modest in believing that her report was of very minor significance. I cannot agree with her. I believe it is of major significance that workers on both sides of borders should be able to travel back and forth without all the inconveniences we face today, and that naturally other citizens, too, should be able to cross frontiers without all the many checks which Parliament again and again has pointed out as being entirely unnecessary. I shall not go into this any further.

As far as the customs union is concerned, we have been given a splendid and laudably concise report by Mr von Wogau. There is only one point I am not one hundred percent satisfied with, and that is paragraph 4, in which Mr von Wogau advocates having a common customs service. It is not the idea I do not agree with but its scope. I myself introduced this idea in a report in 1977/78, but nevertheless, as things go in the Community, nothing at all has happened in the space of five years. Neither was any action expected, but it will come some day! The distrust among the Member States with regard to customs clearance on the external frontiers is much too great and this is one of the obstacles to the removal of some of the checks at the Community's internal frontiers. It is therefore necessary that we should have a Community customs service at the external frontiers, so that we can remove all distrust and make progress towards free movement of goods and persons within the Community as such.

Mr Narjes, Member of the Commission. — (DE) Mr President, I should like to begin by expressing the Commission's thanks to the two gentlemen rapporteurs and to Mrs Desouches for their reports. I would also thank all the Members who have spoken in this debate and made suggestions. I can only say that none of the suggestions or demands that have been made here run counter to our own ideas. Nor are any of the points made in the course of the debate of a kind which do not fill us with concern either.

The praiseworthy feature of Mr von Wogau's report is that, in a succinct form, it covers not only the narrower aspects of customs union but also the broad sweep of issues to be resolved before the internal market can become a reality. I am grateful to him for placing the programme for the attainment of customs union in a broader political context and thus establishing a framework for today's debate.

Only recently, the Commission made another attempt to force through a policy of reviving the internal European market. At least, in a first phase, we managed to ensure that the European Council meeting in Copenhagen instructed the Council of Ministers — and I would emphasize the word 'instructed' — to reach a decision by 30 March 1983 on what the Commission regards as priority measures.

This urgent programme covered, firstly, the proposal on Community certification for goods from third countries, a proposal which is effectively blocking something like twenty virtually completed draft directives in the field of technical barriers to trade and would make a further dozen such directives impossible.

Secondly, it covered the proposal for the introduction of an improved information system in the field of technical provisions and norms — in other words, in precisely the field in which we have, for some time, been increasingly receiving complaints about the protectionist effects of national standards and safety systems. Thirdly, it covered the Commission's proposals on the dismantling of intra-Community border formalities.

Last Monday, 13 December, the Council of Ministers had a first debate on the instructions passed on to it by the European Council, with the aim of deciding how the instructions were to be complied with by the set deadline.

Unfortunately, it has once again not proved possible to take the necessary procedural decisions and carry out the instructions, despite all that has been said about the need to permanently strengthen the internal market and to lend credence to this aim by taking firm decisions.

This is all the more deplorable in that we have now frittered away the opportunity, by taking clear decisions in the Council, to give a sign to a European business community which is increasingly beginning to doubt the likelihood of European integration.

As a result, the Council will have to discuss this subject again next year — in January, I hope — and we can only hope that it will then bring itself to take the decisions as instructed by the European Council and as expected by the people of the Community and the European business community. At any rate, the 12 million unemployed in Europe will have precious little sympathy for a failure on the part of the decision-making powers in the Community to give them new hope by espousing a European policy which carries conviction.

As I said, one of the priorities as regards the internal market is to dismantle the border formalities, and the most important element in this respect is the Commission proposal of 2 July 1982 for the introduction of a standard document for use in intra-Community trade, which I hope this House will be debating at the January part-session. The plan is to combine this debate with Parliament's opinions on the proposals regarding the 14th VAT directive — shifting taxation of imports away from the immediate frontiers — and simplified trade formalities.

Incidentally, the Commission will be giving its final approval to the definitive version of the planned stan-

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dardized document at the beginning of next week, and we shall then forward it without delay to the Council with a request that Parliament's opinion be obtained too.

The reason why I stress the speed element with regard to these measures and am asking you to deal with the matter quickly is because the proposals are part and parcel of the priority programme I mentioned at the beginning of my speech — the programme we hope the Council will reach a decision on and which is the subject of the instructions issued by the European Council. In the light of these forthcoming consultations, it is essential that we should hear the House's opinion. Should we succeed in getting this package of proposals accepted, we shall be well on the way towards creating the customs union and thus have taken a major step towards the creation of internal market-like conditions in the Community.

As regards the procedure to be followed, there is reason to suppose that the Council will indeed take action — as called for by this House and in Mr von Wogau's report — probably in its special capacity as an 'internal market Council', to deal exclusively with proposals of this kind. Our planned simplifications will benefit business in particular and indirectly also the consumer, and will — it is to be hoped — take the tangible form of reduced costs.

But the road to a common Community customs regime remains fraught with problems, despite the fact that there are definite signs of success here and there, such as the forthcoming approval of the regulation on the temporary import of goods from third countries and the regulation on customs exemptions. I hope that the first of these two decisions will be forthcoming this month. The commitment and support received from the European Parliament on these issues reinforces the Commission's determination to continue to work towards customs union in a purposive manner.

As regards the specific problems discussed in Mrs Desouches' report on local transfrontier traffic, I should like first of all to say how grateful we are for her report and for the attached motion for a resolution on this subject. In producing her report, she has drawn the attention of this House and public opinion in general to an area which, from the point of view of activities designed to strengthen the internal market, should on no account be ignored. The only thing I would quibble about in her report is the fact that the number of people in the Community affected by this issue runs to millions, and not just hundreds of thousands; after all, we should not take too narrow a view of what is meant by a border region. For instance, we should take into account the length of time spent in a car or some other means of transport in evaluating the quality of life in various regions, with a view to deciding whose scope for individual initiative and whose way of life is affected in any form whatsoever by the existence of a national frontier, or who would behave

differently if the frontier did not exist. Viewed in this light, I believe there are several million people in central Europe who can, from a wider but practical point of view, be regarded as inhabitants of border regions.

And it is precisely these people who are subjected day-in, day-out to the inadequacies of European reality. It is they who feel the concentrated effect of all those everyday European problems which are still waiting for a solution, and which could easily be resolved given a little common sense.

We have already taken the initiative on a number of measures which should bring about an appreciable improvement in the situation in border areas in particular, and it is now up to the Council to do its job. What we need is — as Mr Rogalla intimated — someone who is prepared to take the initiative. After all, if we have five frontiers, one of which is perhaps a little difficult about doing away with border formalities, the other four may be tempted to say that, in that case, there is no need for them to do anything either. That is roughly the practical course adopted by the bureaucracies in all ten capital cities.

We must not come to terms with this kind of subtle obstructionism; we should judge each frontier — politically — on its merits and insist that the decisions be put into effect. Only in very few cases will we be able to formulate these decisions in conjunction with the bureaucracies concerned. We shall have to issue political instructions to the said bureaucracies, otherwise nothing will ever get done, and in 25 years' time, we would still be in the same situation as we are today — unfortunately — after 27 years of the European Community.

It is therefore up to the Council to approve the draft regulation as quickly as possible, so as to enable tradesmen to cross national frontiers with all the tools of their trade without any major formalities, and thus make it easier for them to pursue their trade in the neighbouring border regions. It is also up to the Council to take a decision on the proposal which has been in abeyance for years now, and which is aimed at doing away at long last with dual taxation on the use of private vehicles. It is really an anachronism that we should still be confronted with problems like this 25 years on. The Commission's proposal for a Council resolution on the elimination of personal border checks should benefit the residents of border regions especially once it has been approved by the Council.

At this juncture, I should like to reiterate my urgent appeal to this House for the committees to speed up their work on this problem and at least nominate rapporteurs for the proposed reports. Otherwise, we shall be faced with further delays which we feel would not be justified.

The idea is that personal checks should no longer be carried out systematically but only on a sample basis.

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The motion for a resolution expressly states that this improvement should be made particularly in respect of the border-crossing points used by local transfrontier traffic. Our proposed measures are entirely in line with the wishes expressed by Mrs Desouches, which does not mean of course that there may still be practical problems in certain specific cases, for instance, in the case of shift workers wishing to cross a border at a crossing point which is not manned at particular times. There can be no doubt that, in such cases, the requisite detour via a crossing point which is open is far more time-consuming than is reasonable from the point of view of general security.

Pursuant to the highly welcome initiative taken by this House, the Commission has already got together with the national authorities to investigate this problem, as a result of which we have come to the following conclusions. The requisite legal provisions for granting special permission to cross a border other than at manned crossing points are already in existence everywhere. Indeed, the national customs authorities themselves point out that, for purely taxation reasons, persons with no goods to declare may cross borders without any restrictions of time or place. This apparently applies to all citizens of the Community, whether they are resident in a border area or not, and even in cases where a car is used to cross the border. That is the legal position at present, but unfortunately the practical position is somewhat different in many cases.

At any rate, we have taken this information as a starting point for doing something about the practical situation. Of course, merely striking an optimistic note should not delude us into thinking that the problems have thus been overcome. In most cases, though, what we are talking about are special questions which are usually closely linked to the local and geographical peculiarities, the transport infrastructure, the industrial infrastructure, local working times, and so on.

In the circumstances, the Commission sometimes has doubts as to whether it will ever be possible to deal with all the problems of local transfrontier traffic by way of legal instruments alone. The Commission therefore intends to supplement its more general regulations by concentrating increasingly on solutions in certain specific cases wherever such problems are brought to the Commission's attention. If we have no knowledge of these specific problems, there is nothing we can do to help. At any rate, the Commission feels encouraged in this respect by the declared willingness on the part of the national customs authorities to get together with us to investigate what improvements can be made in certain specific cases. It may be that this kind of approach will occasionally do the trick on day-to-day matters.

The real task at hand, though, remains the removal of frontiers *per se*. The Commission goes along with this House in thinking that it is inconceivable that conditions at the national frontiers should not have greatly

improved for the better in the direction of European unity by the time the next European Parliament elections come around in 1984. That is something that Europe really owes its citizens. It is up to all of us to use all the means at our disposal to ensure that tangible improvements are made before the next direct elections. We at any rate are prepared to do our bit.

(Applause)

President. — The debate is closed.

The vote will be taken tomorrow at the next voting time.

9. Supervision of credit institutions

President. — The next item is the report (Doc. 1-664/82) by Mr Ruffolo, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission to the Council (Doc. 1-589/81-COM(81) 444 final) for a directive on the supervision of credit institutions on a consolidated basis.

Mr Papantoniou (S), deputy rapporteur. — (GR) Mr President, the need for stricter supervision of credit institutions is particularly strong at present because of the crisis which the international banking system is going through. In fact, the appearance of petrodollars on the international money markets, together with the considerable worsening of the balances of payments of certain countries in Eastern Europe and the Third World, have put such great pressure on the banking system that fears have begun to be expressed that certain banks which are encountering serious liquidity problems may go bankrupt. The protection of bank savings and, more generally, the maintenance of the public's confidence in the banking system, are important preconditions for the success of any strategy for bringing about an upturn in the international economy and for solving the unemployment problem.

The Commission proposal to the Council for a directive on the supervision of credit institutions on a consolidated basis is a small first step in the direction of more effective checks on commercial banks.

Mr Ruffolo's motion for a resolution agrees in principle with the Commission proposal, and for that reason the Socialist Group will vote for it, while at the same time supporting the amendments of the Committee on Economic and Monetary Affairs, which attempt to clarify and improve certain points in it.

Mr Burke, Member of the Commission. — Mr President, ladies and gentlemen, I would first of all like to thank the rapporteur, Mr Papantoniou, who has just

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presented his very well-argued report which clearly identifies the most important issues in this complex and technical area.

As long ago as 1975 the Group of Ten, in their committee on banking regulations and supervisory practices, drew up guidelines for cooperation between national authorities in the supervision of banks' foreign establishments. They adopted the principle that parent authorities should take account of the exposure of their domestic banks' foreign subsidiaries because of the parent banks' moral commitments to those foreign subsidiaries. The proposal therefore represents not only a further step forward in the process of harmonizing the systems of supervision applied to credit institutions in the Community but also the Community's response to international opinion on this subject.

I am not suggesting that the Commission's proposal for a directive represents the final answer to all problems of international banking supervision, but I do suggest that it will represent a major step in dealing with a problem which has become of great current significance with the present recession and uncertainties in international markets. In these times of recession supervisors are acutely aware of the vulnerability of their banks to problems which could arise through the activities of their subsidiaries in other countries. With this in mind the present proposal has been drafted in a way which leaves many of the details to the discretion of the Member States pending further coordination. This approach, which has the full support of the supervisory authorities in the Banking Advisory Committee of the EEC, was taken in the interest of securing its rapid adoption. The Economic and Social Committee responded favourably to the principle proposed.

For the time being our proposals are related to operations within the Community. The application of the principle of supervision on a consolidated basis to relations with non-member countries will be conducted on the basis of bilateral arrangements, i.e. on the basis of reciprocity. These arrangements will, nevertheless, be subject to Commission coordination. By this means we hope that the principle endorsed here will have a wider application.

The Commission would obviously prefer agreement with third countries to be on a Community basis. One of the amendments tabled by Mr Dalziel, Amendment No 4, points in this direction. However, as this does not seem practical at the moment, we have to allow for bilateral agreements.

In an area as complex and technical as this it is difficult to lay down in advance a precise form of agreement. We feel that it would be preferable to await the first such agreement and then in the light of that experience endeavour to coordinate all future agreements. To try to set up a model for such agreements

from scratch does not seem a promising exercise and would seem to be a very difficult one at this stage.

Referring to another amendment tabled by Mr Dalziel, Amendment No 2, we feel that this would specifically allow for the exclusion of institutions specializing in the provision of mortgage credit. Now this goes against one of our basic principles. All our work in this sector is based on creating equivalent conditions for credit institutions engaging in similar types of business. The emphasis has been on the type of business rather than on the type of institution. Looked at from another point of view, one can also argue that there is no justification for excluding mortgage business from consolidation. The objective of consolidated supervision is to examine a group of credit institutions as a whole to ensure that the group is sound. The inclusion of mortgage institutions in the consolidation in no way invalidates this approach.

As to Amendment No 1, we can accept it on the understanding that it just means that all Member States will have to implement domestically the principle of consolidation.

Turning to the amendments proposed by the rapporteur, the first one — to raise the threshold in the definition of participation from 20% to 25% — does not seem unreasonable. The original definition was based on the definition of participating interest used in the Fourth Company Law Directive on the annual accounts of companies. However, the two definitions are not identical, and we can accept the argument that a 25% holding has a particular and relevant legal significance in a number of our Member States.

We would therefore be happy to accept the view of the Parliament on this matter.

Whilst on the subject of definitions, can I say that we are entirely in agreement with the view expressed by the rapporteur concerning the definition of financial institutions. I accept that the present definition is very general, but it has to be recognized that it is not practical to be more precise at present. However, the Commission has recently commissioned a study on the different types of financial institutions operating in the Community with a view to facilitating the definition of institutions which provide quasi-banking services and therefore need to be considered in preparing legislation affecting credit institutions.

Mr President, the sixth amendment proposes to change the threshold of our definition of participations from 80% to 75% and since this follows the amendment you have just mentioned and have just accepted, I think I need say nothing further on it.

The seventh proposed amendment, to increase the *de minimis* provision in the same definition from 500 000 to 2.5 million ECU, is difficult for us to accept entirely. If this threshold is raised to 2.5 million ECU,

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we could be dealing with a subsidiary which has deposits in the region of 50 million ECU. It is the view of the Commission that such an institution is too large to be ignored by a banking supervisor. However, in view of the opinions expressed in both the Committee on Economic and Monetary Affairs and the Economic and Social Committee that our proposed threshold is too low, we will be prepared to accept an increase in the threshold to, say, 1 million ECU.

When it comes to the eighth proposed amendment, to delete the second part of paragraph 2 in Article 4, allow me to underline that the Commission's proposal here represents a delicate compromise between those who feel that consolidation must be effected in all cases where a situation of effective control exists, and those who are wary about allowing the authorities of one Member State to require consolidation of a credit institution in another Member State where a minority participation is held. The Commission found it opportune to base the first Community provision on consolidated supervision on this relatively flexible solution and reserve a higher level of ambition for our subsequent measures in this area. I hope, Mr President, that Members of Parliament will understand this approach and I am afraid that I am not in position to follow the more drastic solution of the amendment.

With regard to Amendment No 9, I have even stronger reservations since I find paragraph 3 of Article 4 of our proposal absolutely necessary to ensure the widest possible coverage of institutions to be included in the consolidation. On the surface, it would appear that this paragraph, which gives complete discretion to the Member States on the treatment of participations, where a situation of effective control does not exist, is not very important. In the absence of such a paragraph in the directive, however, Member States might experience difficulties if they attempted to deal with minority interests on a unilateral basis because they would not have the right to obtain the necessary information from credit institutions in other Member States. The provision is particularly pertinent to the position of consortium banks where it is quite common for the shares to be held by three or four banks with no single bank being able to exercise control. As consortium banks conduct a very significant amount of international banking business, it is very important that the directive should make it possible for them to be included within the scope of consolidation.

On the tenth amendment, to allow for an expert other than an auditor to verify information, I would think that the term auditor is sufficiently well understood in all Member States to require no further clarification. However, we have no objection to amending this part of our text and when doing so will also take into consideration Mr Dalziel's suggestion to have Member States' authorities assist each other. We have however to keep in mind at this point that in some Member States the authorities never inspect banks directly.

Therefore we incline to accept the amendment as proposed by the rapporteur.

Finally, Mr President, may I reiterate my opening remarks once again in congratulating your two committees and express the Commission's gratitude to them for producing a very constructive and helpful report on our proposal.

Mr Herman (PPE). — (FR) Mr President, ladies and gentlemen, our group is fully convinced of the value of Mr Ruffolo's report and that report in turn supports the Commission's efforts to harmonize the systems for monitoring and supervising credit institutions. This is all the more useful, as credit institutions, as Mr Burke has just reminded us, must be subjected to particular close security scrutiny during times of crisis, given that any failures may lead by degrees to catastrophe, as was the case during the great crisis that preceded the last war.

As far as Mr Burke's remarks on the various amendments are concerned, I am pleased to observe that he accepts most of them, or at any rate, the most important ones.

I shall take the liberty of questioning to some extent, the views of the Commission which maintains that the limit of 500 000 to 2 500 000 ECU is too high. We suggest a figure somewhere between the two, and I should like you to note that today a participation of 1 million ECU does not amount to a great deal if one takes into consideration the various credit institutions in most of the Member States. I ought to have noted that the limit established by Parliament does still allow for a check on the main points, that is to say on three quarters, if not 85%, of the loans granted in the Community.

These controls, therefore, are still very important. At this stage we should not be attempting to monitor everything, but I should consider it useful if the Commission could establish its limit in terms of studies carried out and objectives aimed at and if it could decide to monitor between 90 and 95% of credit operations.

As for the rest, I agree with the Commission concerning the amendments to Articles 2, 3 and 4, even though our committee was of another opinion.

On reflection, it seems to me that we must be prudent and take account of what would happen if there were no agreements and if there were no formal checks. The measures envisaged by the Commission are therefore appropriate.

Finally, Mr Burke, I am grateful to you for having signalled your agreement on the last amendment, relating to Article 5, which means that we can retain the principle that the appropriate authorities in the Member State should be at liberty to entrust an auditor or an

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expert approved by them with the task of verification. I think this will make things easier since — as you emphasized yourself — the alternative solution is not often accepted and is not often practicable.

Mr Tyrell (ED), draftsman of an opinion for the Legal Affairs Committee. — This is an important report which has considerable significance in today's troubled climate for the banking industry. Mr Herman has carefully dealt with some of the most important issues arising in the report and the Commissioner has dealt in some detail with the amendments put down by the two committees, though it might have been better for him to have listened to the arguments first before he made the Commission's position clear.

I wonder about the propriety of continuing with the debate in the absence of the rapporteur, the rapporteur's deputy who introduced this report and of the chairman of the relevant committee. I shall continue with my speech in the hope that they will at least read it before they reply to the debate.

The supervision of financial institutions on a consolidated basis is an important element in the restoring to health of many of the world's major commercial banks, and in enabling them to play a full role in the promotion and increase of world trade, particularly at a time of global recession. This has already been recognized and much work is being done under the umbrella of, for example, the Bank of International Settlements in Basle, under the distinguished directorship of Mr Richard Hall, and the International Monetary Fund in Washington.

These efforts must continue at a more intense pace and the Commission proposal is to be welcomed.

But no matter how vital is the Commission proposal, it is staggering that it is mentioned in isolation without once referring to the need for better management and for more realistic lending policies in those same institutions.

Certain points are worthy of mention. I should like to pay tribute to the work done by my colleague, Mr Ian Dalziel as rapporteur for the Legal Affairs Committee, who, in a careful and complex argument, persuaded the Legal Affairs Committee unanimously that his proposed amendments should go forward. It is a matter of some regret to the Legal Affairs Committee that there is no reference to those amendments in the report presented by the rapporteur of the Committee on Economic and Monetary Affairs — even though they had them for some six months before they delivered their own report.

The points that he makes, and with which I agree, are these:

Firstly, the paramount importance of home-country control and the need for rigid adherence to it in the Community.

Secondly, the absence of any guidelines even in the form of principles and consolidation procedures, and on the rules which govern supervision on a consolidated basis.

Thirdly, the sad absence of any clear definition of what is meant by the term 'financial institution'.

I heard the Commissioner's comments on that, but I should have thought that he could have done better. For instance, on the need to exempt certain types of lending institutions when consolidation would be neither helpful to control banking authorities nor conducive to the more efficient management of that institution's activities.

Fourthly, the exchange of information between institutions should be encouraged as an aid to their supervision.

And, fifthly, although the Legal Affairs Committee was not happy with bilateral agreements, Commissioner — we did not want them — if we are to have them, then we think a model form of such an agreement could usefully be annexed to the proposed directive. Your suggestion that it should be left to some unfortunate guinea-pig of a company to put forward a proposal — doubtless their lawyears will be paid high fees and I do not object to that — does not seem to me to be a very kind way of proceeding.

So we hope Parliament will adopt the amendments of the Legal Affairs Committee and that someone will tell the rapporteur of the Committee on Economic and Monetary Affairs that that is what we hope and why.

IN THE CHAIR: MR NIKOLAOU*Vice-President*

President. — The debate is closed.

The vote will take place at the next voting time.

10. Air transport

President. — The next item is the report (Doc. 1-847/82) drawn up by Miss Forster on behalf of the Committee on Economic and Monetary Affairs on

the proposal from the Commission to the Council (Doc. 1-740/81 — Com(81) 590 final) for a directive on tariffs for scheduled air transport between Member States.

President

The debate also includes the oral question (Doc. 1-988/82) by Mr Moorhouse to the Commission:

Subject: Competition in air transport

1. Will the Commission give the number of responses that it has received to its letters to the governments of the Member States and Community airlines asking for details concerning the fixing of air tariffs in the Community. How many failed to reply or reply adequately by the deadline of 15 February 1982? Does the Commission intend to take action against those who failed to reply, and if so in what manner?

2. What conclusions, preliminary or final, has the Commission reached as a consequence of its analysis of the replies received? What action does it intend to take as a result of this analysis?

Miss Forster (ED), rapporteur. — My committee welcomed the Commission's draft directive on air fares, but we felt that although it was good it could have been better and for this reason we have tabled quite a large number of amendments.

Similarly, in many ways we feel that the airlines offer a good service to their customers in the Community: reliable, frequent, punctual — at least most of the time — flexible including the possibility of changing from one airline to another, at prices which have enabled the number of passenger miles flown to increase year by year.

However, we feel that this service could be improved from the point of view of tariffs and by that we mean the fares paid and the conditions under which the tickets are offered. The committee felt that the best way to achieve this was through more competition and more flexible and faster procedures for fixing new tariffs.

Some argue that the solution to this problem is deregulation: the only vote against the motion for a resolution in the committee was by my good friend, Mr Wedekind, who believes that total free competition tomorrow is the answer to all these problems.

However, the committee felt that this was not only politically impossible at the present, but not practically feasible. Deregulation overnight could lead to dislocation and disruption of services, the loss of jobs in the major carriers and of many of the good features of the present system. We therefore welcomed the more gradual approach recommended by the Commission. We believe that fares should be more closely related to costs within the Community and that, in the case of a disagreement between Member States about the level of those fares, the Commission should be allowed to arbitrate. If we were not satisfied with the Commission's decision then there should be an air tariffs committee, to which appeal could be made, and in the last resort the Council should be the appellate body.

In the much longer term, the committee hopes that the whole aviation and airline industry can develop within a Community-wide framework so that it becomes truly European in scale and in nature. We would like to see national variants in such things as crew conditions, pilot licences, air-worthiness certificates and so on, disappearing, and agreed upon within the Community.

This draft directive is one step on the road to more competition and to an improved service within the Community. We support it and we hope that the Parliament will vote in favour of the directive, as amended by the committee.

Finally, in due course we would like to see other steps taken.

The next most important one is to let more airlines — more of the independent ones — compete for the routes within the Community. We therefore welcome an initiative by the Commission on improving access.

Mr Burke, Member of the Commission. — Mr President, the Commission is naturally pleased that the motion for a resolution before Parliament supports the Commission's proposal. It also compliments the Committee on Economic and Monetary Affairs and its rapporteur on the excellence of the report.

The Commission agrees with that part of the resolution which calls for a series of complementary measures and assures Parliament that it intends to take action in all the fields mentioned which fall within its competence. Specifically, the Commission endorses the resolution's call for the speedy adoption of the proposed regulation applying Articles 85 and 86 of the EEC Treaty to air transport, given its interface with the proposed directive and in particular Article 4 thereof.

Turning to the various amendments in the report I would like to indicate to Parliament the position which the Commission has taken. Since some of the committee's amendments to the proposed directive are similar to amendments tabled by individual Members of the House, I will give both the amendment number in the report and the other amendment numbers in my reply to each one.

With regard to Amendment No 1 and Amendment No 35, I would say that it is normal practice to include the entire internal market for a product or service in Community legislation. These amendments, therefore, are not acceptable, as they would exclude certain carriers operating routes between Member States from the scope of the directive.

Turning to Amendment No 2, which I couple with Amendment No 36, I would say that while Amendment No 2 is not acceptable as drafted, the Commis-

Burke

sion will amend this paragraph so as to make it clearer that consideration is not confined to the costs of the carrier on the route in question.

On Amendment No 3 in the report — and I consider Amendment No 37 to be allied to this — again I say that the Commission cannot accept this amendment as drafted. However, it will amend this paragraph to make it clear that tariffs must cover the direct operating costs of the carrier on the route in question and that State aids granted in accordance with Article 93 of the Treaty may be deducted from the carrier's costs.

In regard to Amendment No 4 — and we consider here also Amendment No 38 — if the purpose of this amendment is to permit matching of the tariffs of airlines that are not covered by the proposed amendment to Article 2, to which I have already referred, it is unnecessary in view of the Commission's rejection of Amendment No 1. Furthermore, it would be too radical and unrealistic a change in the present system.

Turning to Amendment No 5, with which I couple Amendment No 39, from the point of view the Commission this is not acceptable, because the Commission and the Member States cannot on this basis permit behaviour which would otherwise contravene the competition rules of the Treaty.

Now taking Amendments Nos 6, 7, 8, 9, 10 and 11 and linking with them Amendments Nos 40 to 45, the Commission welcomes and accepts in principle these amendments, which it considers to be the most important put forward, subject to the following reservation concerning Amendments Nos 12, 13 and 14 with which they are linked. In regard to those and to their allied Amendments Nos 46 to 48, the Commission finds these amendments interesting in that they meet possible objections to the Commission acting as sole arbitrator while at the same time maintaining an arbitration system at Community level. Before reaching a final decision on them, however, the Commission intends to consult interested commercial organizations on their practical implications, particularly with regard to the requirement of speedy decision-making.

On behalf of the Commission I would indicate that Amendment No 15, with which you can take Amendment No 49, is acceptable. The Commission accepts Amendments Nos 16 and 50, as imposing a minimum annual requirement, but it will from time to time produce a broad report. In regard to Amendments Nos 17 and 51 the word 'and' should be deleted from the fourth line, and the Commission then accepts this amendment. Similarly, we accept Amendment No 18 and its allied Amendment No 52.

Mr President, that leaves quite a number of other amendments. If you would bear with me, I would like to indicate generally and very briefly the Commission's attitude, remembering always that I am speaking here on behalf of a colleague who is detained else-

where and that this is not my particular personal brief. I would start with Amendment No 21 to the preamble which we accept. Amendment No 22 to the preamble we cannot accept. Amendment No 20 on Articles 1 to 10 — we regard these as too revolutionary and for that reason we cannot accept them. Amendment No 53 to Article 1 — I am instructed that we would take a negative attitude here, but are willing to consider the matter further. Amendment No 23 — we state here that the Member States must ensure conformity with criteria which we set down; we must therefore reject this amendment. Amendment No 24 to Article 3.1.(a) — again the Commission is not able to accept this, since it is not intended to be on a strictly route basis. Amendment No 1 to Article 3.1.(a) — we again cannot accept this as we prefer the general line of the rapporteur in Amendment No 2 and its allied Amendment No 36. Amendment No 2 to Article 3.1.(b) — the Commission does not feel able to accept this, as we think that this stipulation in our legislation is needed to prevent dumping.

We come then to a very important amendment to Article 4(b), i.e. Amendments Nos 18, 12, 56 and 3. It is suggested that Article 4(b) be amended to read: '..... at the option of that air carrier following consultation with any other airline or airlines.' The Commission is unable to accept this amendment, since such consultations might contravene the competition rules of the Treaty. The purpose of this article was to ensure that those airlines which wished to file tariffs individually could not be prevented from doing so. At the same time the opportunity was taken of specifying that consultations were permissible for certain purposes where the benefits are apparent. These were interlining and the simplification and standardization of tariff conditions. The Commission would be prepared to consider whether consultation for other specific purposes also conferred sufficient benefits to avoid contravening the competition rules and could be incorporated in Article 4.

Amendment No 4 to Article 5 — the Commission thinks that this is not necessary. Similarly, we would not be able to accept Amendment No 25 to Article 6, because we consider that we must have arbitration here. Amendment No 5 and its allied Amendment No 30 to Article 6 are similar to Amendment No 7 and allied Amendment No 41 with which the Commission agrees. Amendment No 54 to Article 6.6 — the Commission is unable to accept this. Amendment No 6 to Article 6.5 — we regard this as unnecessary. Amendment No 55 to Article 7 — we think it would be premature here to specify, so we cannot accept this. Amendment No 7 to Article 7 — this is a new amendment; we feel that the Commission cannot accept this, but it might be acceptable if the third arbitrator were the Commission. Amendment No 19 to Article 8 — the Commission cannot accept this either because we believe that the report is a good idea.

Now I have given these general indications of the Commission's position in order to help Members of

Burke

Parliament in this very complex matter of the amendments to this text. With regard to the allied matters raised by Mr Moorhouse's oral question, I would answer the two parts of that question as follows.

Firstly, as the honourable Member has mentioned details concerning the fixing of air tariffs in the Community in his question, it should first be stated that questions on this matter were put only to Member States. The letters to airlines related to other matters. By 15 February last three Member States had not replied. All had replied by 13 August, and no action will be taken against those who replied late.

In regard to the second part of the question, the replies broadly confirmed the conclusions of the report on scheduled passenger air fares in the EEC (COM(81) 398 final) which states: 'Fares charged by the airlines for scheduled passenger air services are a result of airline and government activities. The first stages involve mostly airlines individually and/or collectively, while governments play a decisive role in the final stages.' This is a reference to what we said in paragraph 8. The replies cannot, however, exclude that stage action on tariff fixing may have to be reviewed under Article 90 of the EEC Treaty. Nor is the conclusion ruled out that the activities of the airlines directed towards preparing the agreed tariffs for submission to the State authorities may fall under Article 85 of the Treaty. The Commission is considering what further information it needs before deciding finally on what action to take.

That, Mr President, is as briefly as possible my replies to the excellent report provided by this House and to the question tabled by Mr Moorhouse.

Mr Albers (S). — (NL) Mr President, it is not difficult to speak on this question since, as Members of the European Parliament, we must do a lot of travelling — some of it by air — in the course of our work. I am sure everyone of us has at some time been surprised to a greater or lesser degree at the many different tariffs which are applied depending on where the booking is made, the capital or the currency used. We have had more opportunity than the average traveller to see the incongruities which exist, such as the fact that costs are not related to distances and that passengers in the same aircraft have frequently paid completely different fares for the same trip. We learn from information provided by the airlines that 50% of total air traffic consists of charter flights at very special rates, which are in some cases inclusive of hotel accommodation or even camping facilities. However, even the other 50% must be again split in two to give us the 25% of the total number of travellers who have to fork out the whole amount. In view of this situation, it is no wonder that a Member of this Parliament turned to the Court of Justice in Luxembourg, on the basis of the EEC Treaty, to rule that the terms of the Treaty as regards fair competition as one of the most important

fundamental principles of the European Economic Community were being infringed.

The Commission's memorandum of 4 July 1979 embodying the contribution of the European Community towards the development of air transport was enthusiastically welcomed by the majority in this Parliament. Long-, medium- and short-term policy objectives for air transport, improvement of the market structure, the inception of a dialogue between the Community institutions and radical suggestions for revamping the air transport sector in the Community — they were all welcomed, particularly as they were all placed in the context of a global network with efficient services which would result in lower prices, avoidance of discrimination and an unhealthy financial position for airlines increased productivity, protection of the interests of persons employed in the air transport sector, progress as regards social aspects, free access to employment and improvement of the living conditions of the public in the interests of our economy and our society.

The European Parliament has adopted resolutions dealing with all these questions and approved the idea of the rules of competition laid down in Articles 85 and 86 of the EEC Treaty being applied to air transport too. The European Parliament gave its support to the subsequent concrete proposals by the Commission to promote the approval of scheduled inter-regional air services for passengers, mail and goods transport between the Member States. However, as in so many other cases, it turned out again that the Council of Ministers in its wisdom saw fit to postpone these proposals too, which could have formed part of the common transport policy, to the despair of all those who still believed in the usefulness and existence of the European Community as a means of avoiding repetition of the mistakes of the past and as a component in the construction of a better future for the people of Europe. Indeed, it is perhaps a miracle that the Members of this Parliament have still not totally lost heart.

The Members of the Committee on Economic and Monetary Affairs and the Committee on Transport which also gave its opinion, with the assistance of the competent Parliament officials and the backing of the airlines and the public, who were both showing an interest in these matters, enthusiastically seized upon the Commission's tariff proposal, which led to lengthy discussions resulting in a report by Miss Forster and an opinion by Mr Key — which took the form of a minority view of a number of Members of the Committee on Transport which, while disagreeing with the report on a number of points, nevertheless reflected the wish to achieve something and to bring about improvements while maintaining the positive aspects of the existing arrangements. The politically based differences of opinion have also become very apparent now. It is clear that those on the left of this Parliament are concerned at the possible consequences of too much liberalization and place greater emphasis than those on

Albers

the right on improved services to the customers, protection of jobs and increased employment, greater safety in air transport, reduction of the stress on the environment and, above all, energy saving. As regards this latter point, substantial improvements are called for in the entire air transport set-up. For example, control should be used to reduce the time spent waiting and to devise for shorter routes an integrated system of air traffic with the aid of Eurocontrol and computerized air traffic management.

The amendments to the proposal for a directive are aimed at bringing about a less bureaucratic approach and greater freedom for the airlines involved, without surrendering the influence of the governments of the Member States, whilst nevertheless giving the European Commission an important mediating role to play. This arrangement should also result in the users of the airlines having more say in things. In brief, it should lead to freedom and at the same time a certain amount of control which should in the final analysis lead to the realization of the objectives I outlined earlier in my contribution to this debate.

The Socialist Group has examined the proposals and amendments in the light of these considerations and even if we were unable to reach agreement on all the various aspects involved, we will nevertheless give our constructive support to the final formulation of the report and the resolution contained in it, not without congratulating the rapporteur, who was prepared to listen to our wishes on a number of points. We hope the amended directive will receive the support of a clear majority so that the Council too will be able to pronounce on it as soon as possible since, in the air transport sector as in other sectors, nationalism and protectionism would appear to be on the increase again, often at the expense of the progress in social matters and better mutual understanding which we so much wish to see and towards which the European Community should contribute. This directive may represent a step in the right direction, so let us take this step, Mr President.

Mr Hoffmann (PPE). — *(DE)* Mr President, I can inform you that the group of the European People's Party is in principle in agreement with the Commission's proposal, and I should like, personally, to congratulate Mr Burke in particular, with whom I have long collaborated in matters of transport policy. I am glad to see that today he is once again addressing himself to transport policy.

I cannot, however, agree with a good deal of what Mr Burke has said with regard to our amendments, because we must still start from the premise that the Commission has drafted a proposal for a regulation which does not take account of all those questions which we asked two years ago in our resolution on European air transport policy as a basis for competition. Unfortunately, no further progress has been

made in this direction and as long as these questions are not capable of being settled, or have not been settled, I should like to warn against accepting the Commission's proposals in their present form.

For example, no account has been taken of the fact that there are varying price structures in the different Member States. There are high price countries and there are low price countries, there are differing social security costs in different airlines, and there are quite different ways of calculating costs and fares, which would not be taken into account in calculating price structures if we were to adopt the Commission's proposals. If a Member State can introduce a particular fare of its own volition — and in principle it can do that if the Commission has not reacted within three weeks — then that particular fare takes effect, it is valid.

Given the differing situations throughout the Community, that seems too dangerous to me. I also have some difficulty imagining that the Commission could function as a price-control authority, or a kind of umpire in questions of air fares.

Mr Burke, I feel a real shudder of horror when I think of the way matters were settled in the steel industry and what the result was.

In that case no one respected the agreements, although the agreements were still valid. So the Commission intervened — and what is the situation today? The European steel industry is virtually defunct. We are destroying more and more capacity and more and more jobs. God protect our airlines from such a political scandal!

In order to make some progress along this road, which we are in favour of in principle, we have tabled a series of proposed amendments, which, if they were to be accepted, would put the Commission back on the right road and would put us in a position where we could gradually create the pre-conditions for competition.

I applaud the work that Miss Forster has done. We talked about these matters for some time, also at meetings of the Transport Committee, but her well-intentioned proposals are partly drafted in such a way that they lead to even greater bureaucratization than the Commission's proposals. For this reason I cannot, on behalf of the majority of my group, support all her ideas.

Of course, the most consistent attitude would be for us to support Amendment No 2 by Mr Wedekind. We should then have achieved the ideal situation — but the Community simply has not developed enough to pursue by such a policy, even if it is in principle the best one. Let us work together to create the right conditions and then one day we shall no longer be able to refuse our support for such an amendment as the one Mr Wedekind has tabled.

Hoffmann

The Commission should make an effort not to destroy any fully grown, rational structures. We are aware that many of our airlines are already making losses. I am afraid that if the Commission's proposal is adopted, the very interlining system which was stressed by the Commission will not merely be jeopardized but will even be destroyed, because I simply cannot imagine that any airline would be prepared to honour a ticket bought from another airline which was cheaper than its own tickets. And yet, in future airlines are supposed to trade only on these conditions. This simply is not possible and cannot be the serious aim of the Commission. On many points we are in agreement. We want to round off this matter and organize it in a rational way. Then, Mr Burke, I am convinced that we shall be in a position to create a system which will gradually make it possible for us to introduce competition into air transport.

Mr Moorhouse (ED). — Mr President, I would first like to offer my congratulations to my colleague Miss Forster on her excellent report on the Commission proposal on air tariffs. My group will be supporting the rapporteur and we are very encouraged by the reactions of the Commission to the amendments which have been tabled in this House and we will in the light of the comments that Mr Burke has made, review our attitude to certain amendments. But as I say, basically we are very much in support of the rapporteur.

Now in these difficult economic times the importance of better transport for improving our competitive position in international trade cannot be over-estimated. Scheduled air transport is particularly important for the Community's business traveller. Keeping European costs down and therefore competitive and thus safeguarding employment is dependent on keeping all costs down, including air transport costs. As Miss Forster says, air fares are but one aspect of air travel. Action is needed in a variety of areas affecting costs and revenues. And therefore we await with interest the anticipated Commission directive on transparency in transport and we are eager to hear more about the Commission's investigation into State aids to airlines. I very much appreciate in this context all of the answers which have been given by Mr Burke to my oral question which is coupled with this debate.

This particular report is the third of three important measures that this House has considered. We have already given favourable opinions on the Commission proposals for inter-regional air services and the application of the competition rules to air transport; and in regard to the former it is good to know that the Council of Transport Ministers, at least so we understand, is still in session at this very minute wrestling with the draft regulation on inter-regional air services and trying to secure agreement. This must be the first time in the history of the Community that the Transport Ministers have worked late into the night to try and secure agreements. Could it be, Mr President, a mere

coincidence that we are seriously thinking of taking legal action against the Council of Ministers on this very measure?

I personally hope, and my group hopes, that the Ministers will succeed in securing agreement within the next hour or two. If they should fail, well I can assure them that we shall be taking an active interest in all their activities, even more so over the next few months and into the German Presidency.

So I think I have indicated perhaps more than sufficiently our support for this particular measure and that we will give our blessing to the air tariffs report. Furthermore, we will study Mr Burke's answers to my particular questions with great interest and we can assure him that we shall continue in the coming months to ply the Commission with further questions to elicit that they also are taking the positive action which we are looking for.

Mr Martin (COM). — (FR) Mr President, the supporters of the liberalization of air transport are unremitting in their attacks on the rules limiting competition.

In this sense, the Forster report is in the same tradition as the Schwartzberg and Hoffmann reports, on which we have already expressed our views. If it does show some understanding of the serious plight of a large number of airlines at the present moment, it is ultimately in order to attempt rather shamefully, to give us the same remedies which we know would have the effect of destroying the last healthy foundations of a system of air transport conceived as part of the public services as a whole. Deregulation, or if this expression frightens you, progressive liberalization, has already provided enough evidence of the harm it can do.

Do we really need to give details of the catastrophic situation into which air fare deregulation has plunged a number of American airlines? Competition of this kind is suicidal.

Of course, the Forster report, aware of the difficulty of facing up to these risks and criticisms, attempts to temporize. The result is still support for the Commission's proposed directive, the implementation of which would mean the end of air fare fixing by IATA and an end to the principle of bilateral approval.

What is more, setting up a European air fare authority, to be called the European Air Fare Committee, is in our view certainly not likely to speed up the fare-fixing procedures which the promoters of this project criticize for their slowness.

With perseverance equal to that of the enemies of national air lines, the French Communists and Allies will firmly oppose any attempt to undermine the instruments of public service. Only such instruments as

Martin

these can put themselves in the necessary position of being able to take due account of all the criteria necessary to manage air lines in the interests of consumers and in the interests of all other persons involved in the effort to create a consistent transport policy.

Mr Lalor (DEP). — Mr President, I want to say first of all that Miss Forster is such a charming and endearing colleague that I would love to be able to say that I accept her report happily hook, line and sinker. Unfortunately and regretfully, however, the best that I can do is to say that I prefer her text to the original Commission proposal. I am sorry about that, Commissioner.

For Irish national interests I am strongly opposed to any change in the present system of air fares approval by the governments concerned and basically against the Commission role as either arbitrator or decision-maker. These are pretty fundamental objections and as far as I know, with two exceptions, they are the objections shared by pretty well all of the Member States.

The airline industry worldwide — I think we are all aware — is at present going through a crisis, with results on the North Atlantic being particularly frightening. The North Atlantic disaster situation is attributable mainly to US deregulation of its aviation industry, allowing any airline to fly any route at any price it likes.

There are now a number of indications that a major re-thinking of the philosophies that have dominated the North Atlantic fare scene for the past few years is on its way. Recent months have seen the reactivation of the IATA North Atlantic traffic conferences and, even more recently still, European countries under the aegis of the European Civil Aviation Conference have concluded a memorandum of understanding with the United States which could lay the foundation for a new regime in North Atlantic airfares. These are, as I see it, significant developments in the international air transport sphere. It would be ironic, to say the least, if this Community were to move towards a policy for European aviation that has very clearly and undoubtedly been found wanting in the North Atlantic.

The report on air fares which the Commission completed in July of 1981 and the draft directive on tariffs indicate that there is an awareness of the problems confronting the aviation industry generally, including problems such as the impact of the world recession, inflation and escalating labour and fuel costs over which the airlines have little or no control. I agree that they are open to criticism under a fair number of headings but I think that that particular aspect should be looked at.

Any moves on the airfares front within the common market must take account of these overriding factors. In that connection, Ireland would have strong reserva-

tions about any proposal which would tend to exacerbate an already grave situation. We are also concerned to avoid duplication of arrangements or unnecessary amendment of procedures that have worked well in practice over a good number of years in the wider European areas.

A few moments ago Mr Moorhouse drew attention to the fact that we have already had a couple of debates in this present Parliament on this issue and I remember on the last occasion some two years ago the merits of the Laker airline being argued here as evidence of success. This is no longer the case.

Mr Key (S), draftsman of an opinion for the Committee on Transport. — On behalf of the Committee on Transport and on behalf of the Socialist members of the Transport Committee and the Group, I welcome the Commission's proposals. If my group's amendments and the amendments of other Members of this House are accepted, our group will be able to vote in favour of the Forster report.

After all the comments made by Commissioner Burke on the 59 amendments there are only three which I wish to discuss with him. These are numbers 23, 50 and 19. I am quite happy with all the rest of his comments.

The Members of the Socialist Group are not advocates of the deregulation and a free-for-all as are some colleagues in this House. We as a group are committed to an integrated Community transport policy. We want Parliament and the Commission to put forward realistic proposals to the Council of Ministers because we want the Council of Ministers to act. If we come up with fantasy proposals, the Council does not do anything. Hence our action in the Court of Justice in the last few weeks.

In saying that we want this type of policy and this type of report, we are very conscious of the mode of transport under discussion. I do not differentiate between air transport and other transports. But air transport has a specifically international dimension. To apply the competition rules, as set out in Articles 84, 85 and 86 of the Treaty of Rome, in such a case could conflict with other international conventions which all our Member States have agreed to and it might jeopardize our trading relationships with the rest of the world.

The second point I want to make about our position in the world as a European Community is that those people who advocate going along with the attitudes of the Americans and on deregulation ought to be very careful about looking at the costs of air transportation within the Community in comparison to the USA.

Any rapid or lengthy comparison of the average increase in prices within the Community and the USA would show that the American increase has been far in excess of ours since deregulation. The third point is

Key

our belief in cooperation within the airline industry in the Community. Joint arrangements must be worked out because we do not believe in a straight free market economy in air transport. What we really want is an integrated transport system.

Our fourth point concerns the talk of setting up a new bureaucracy within this Community to organize the system of fixing air tariffs. We actually have a system at the moment. It is not good, it is not perfect. On behalf of my group I have reservations as to whether, if we set up a new bureaucracy it would be faster or would create less friction within the Community. But I am convinced that the Commission could accept many of the amendments proposed. I think they could actually go to the Council of Ministers. There has been a meeting today and I hope they have accepted proposals on the inter-regional air transport directives and proposals of Parliament.

I hope they will be able to go to them with a reasonable alternative, with a solution for the European Community, for the European consumer and the European citizen. I hope that this House can actually come together in accepting many of the amendments tabled and actually work out something that can be taken to the Council of Ministers. I know Commissioner Burke will take this on board.

Mr Wedekind (PPE). — (DE) Mr President, ladies and gentlemen, I should first like to thank Miss Forster for her extremely interesting and excellent report. During discussion with her on these matters I was in agreement on a great many things, but not, however, on everything, and so I will go into one or two things in detail.

When you inform us, Mr Bruke, that Amendment No 20 would be too revolutionary, I find myself in a thoroughly piquant situation. The fact is that I have never previously considered myself a revolutionary, and I must thank you for having put me in that category today — it also makes me seem younger!

But, of course, it is indeed rather piquant that free competition, which is laid down in the Treaties of Rome, should in the meantime have come to seem revolutionary in this European Community. So if one insists on free competition in accordance with the Treaties of Rome and if one draws attention to it, then this is apparently a revolutionary thing to do! Ladies and gentlemen, we really must impress upon ourselves what that means! It means that every proposal aimed at creating genuine competition will be obstructed.

Now, I can quite understand that it should be obstructed. Every bureaucracy must be expected to take care that on no account should freedom be allowed, since in that case bureaucracy would be superfluous. If national bureaucracies are being hemmed in, then as far as possible supranational or

Euro-bureaucratic institutions must be found to take their place. The bureaucrats in Europe and in the Member States know much better than the airlines, of course, how air fares should be calculated. For this reason they can also dictate to the airlines exactly what air fares should be.

Bureaucrats always know better. They also know exactly where aeroplanes should fly to. The airlines themselves, in particular the semi-bankrupt ones, are, of course, very grateful if they can hide behind these bureaucrats in order to conceal their own incompetence, to avoid being precipitated into open competition and in order to be able to say 'That is how things are.' If transport policy is left to the bureaucrats then the situation will be approximately the same as before the first railway was built from Berlin to Potsdam, when the bureaucrat responsible for such things in the Kingdom of Prussia was asked 'Is there any point at all in building a railway from Potsdam to Berlin?' The bureaucrat's reply was 'No point at all, since there are three postchaises every day which are not fully occupied and, what is more, if the traffic is put on to the railway, the result will be excessively high prices. We cannot build a railway'.

In spite of that the railway *was* built! The bureaucracy was not as bad as that!

In principle, the same is true of all airlines and all air fares how, in fact, can air fares be established bureaucratically when the various aircraft are quite different? I may use propeller-driven aircraft, two-seaters, ten-seaters or jumbo jets! The planes may be full or empty — everything depends on what sort of marketing I have! All this is supposed to be forced into a bureaucratic straitjacket in the expectation that the situation will be improved. But it will improve nothing at all. It will prevent competition and thereby prevent the market getting what it wants, which in turn will prevent the creation of new jobs. It costs millions which we, as passengers of these bankrupt companies, must pay. If I have to pay as much to fly from Athens to Frankfurt as from Frankfurt to New York, then somewhere along the line the figures do not make sense. We make up the deficiencies with high fares and through taxes because the State airlines are subsidized by the taxpayer. Since we actively prevent competition, we have the privilege of enjoying the whole business with the added insult of bad service.

But it is obvious that in this Community competition is far too revolutionary, so that neither the Commission nor the Council, which has completely forgotten what competition means, can accept such a thing.

Mr Junot (DEP). — (FR) Mr President, this evening almost all the technical arguments have been deployed, in one sense or another; the amendments we have tabled, or which we shall support, include a considerable number of them. I shall confine myself to two or three brief observations.

Junot

First of all, I should like to congratulate Miss Forster on the considerable work that she has accomplished, even if I cannot agree with all her conclusions, but I hope that the adoption of a certain number of the amendments to the directive or to the motion for a resolution which we have tabled will make it possible for us to vote in favour of this report.

Miss Forster says that she is in favour of the Commission's initiative, but she wants to go further, she wants to go towards an ever more total liberalization of all regulations governing air transport, whether they concern the fixing of air fares or the right of a carrier to enter the market.

It is quite obvious that a liberal such as myself can only rejoice at this profession of liberalism, this appeal to free competition, and we approve the main principle. Unfortunately, practice has shown that sometimes, through dogmatic excess, principles of this kind lead to catastrophic results.

A case in point is that — and it has been quoted on several occasions this evening — of the large American airlines and the particularly delicate situation from the financial point of view — but not just from the financial point of view — into which they have been plunged. We are not just talking about American airlines, there was also the example of that private airline in Britain, which, a few years ago, entered this market in a blaze of publicity offering rock-bottom prices which caught the imagination of entirely new classes of travellers. It all ended in a deficit of hundreds of millions of pounds and the dole queue for those who worked for the company and put Britain's national airline itself, which had shown considerable liberalism, in an extremely critical situation.

So, please, let us not dismantle a system of regulation which is certainly not perfect, which is perhaps complicated, but which has the merit of existing in order to give free rein — in a field which is particularly sensitive — to open competition which would degenerate into anarchy. Liberalism is not anarchy; dreams must not be followed by too rude an awakening. Any radical modification to the present system for fixing internal European air fares, anything that would systematically undermine the multilateral and bilateral agreements, would probably precipitate a catastrophe and would lead to the paradoxical situation where the passenger's situation would perhaps be improved thanks to air fares which would temporarily be lower, but to the taxpayer's detriment since, whether the airline is nationalized or private, there comes a moment when the government has to intervene to save jobs. So the bill will be paid by the taxpayer, even by those who do not travel, in favour of those who do travel. This is a paradox which I think no one here will subscribe to.

I could say many other things, particularly about air safety. We must take care that serious financial difficulties do not lead to a situation in which air safety is

called into question. This is another aspect which needs to be pointed out.

This is why I shall conclude with a request that any decision taken in this respect should be a prudent one. This is the spirit in which we shall discuss and, if the amendments to which we attach fundamental importance are adopted, vote for Miss Forster's report.

Mr O'Donnell (PPE). — Mr President, at the outset I, too, would like to pay tribute to Miss Forster for the immense amount of work she has put into the preparation of what is a most comprehensive and most interesting report. But, like my colleague Mr Paddy Lalor, I represent a small island country on the periphery of Europe, a country which is dependent on a small airline to provide essential airlinks with the rest of Europe. For that reason, like Mr Lalor, I have grave reservations and grave doubts about the implications of the Commission directive and indeed of Miss Forster's report for the future survival, maintenance and expansion of these very essential airlinks between my country and the rest of the Community.

In Ireland we believe that there is no real need or urgency for Community action on the question of air fares. The Commission justification is that the present procedure for governmental approval of air fares is not satisfactory, but the Commission gives no overwhelming arguments as to why this is so. Even if it were so, the solution which the Commission proposes — that is fare approval by one country only — can create more problems than it intends to solve. Miss Forster's proposed amendments to the draft directive in this connection is of some help in mitigating the worst effects of this country of origin principle. But they are cumbersome and they are likely to increase delay rather than reduce it. It must also be said that the possibility of cheaper air fares is unlikely, even if the draft is approved. Even the Commission itself readily agrees that fares will be as likely to rise as to fall, should this proposal become law.

Inter-airline coordination of fares as a result of the deliberations within the International Air Transport Association framework comes under constant criticism both in this House and outside it. Much of this criticism is unjustified in my opinion. What IATA achieves is the blending of region-wide fares into a coherent whole. It needs to be stressed that no airline or government is forced to accept the fares that come out of the International Air Transport Association and that governments, whose fundamental business is the common good, have the final say in what level fares should be. In my opinion, the Commission in Article 4 does not adequately recognize the true role of IATA. It is of significance that even the United States is in the process of a fundamental re-evaluation of its 'open skies' policy in the light of the financial *debacle* of the north Atlantic where the situation has been described as a jungle with the strong killing the weak. The

O'Donnell

United States Government, as Mr Lalor has pointed out, has recently signed an agreement with many European States under which a measure of fares coordination is allowable.

Article 3 proposes to lay down objective criteria for the future guidance of governments when they come to consider fare levels which are proposed to them by airlines. To my mind there is still a good deal of room for subjective interpretation of the criteria, which are much too vague and severe for guidelines and certainly no better than the guidelines contained in the 1967 multilateral agreement on fares to which most Member States subscribe.

Finally, we in Ireland are strongly opposed to any change in the current system of air fares approval and we are also opposed to any Commission role as an arbitrator or decision maker.

President. — The debate is closed.

The vote will take place at the next voting time.

The next item is the joint debate on

- the report (Doc. 1-788/82) drawn up by Mr Junot on behalf of the Committee on Transport on safety measures in aircraft;
- the report (Doc. 1-842/82) drawn up by Mr Junot on behalf of the Committee on Transport on the simplification of formalities at Community airports.

Mr Junot (DEP), rapporteur. — (FR) Mr President, I understand that you want me to present the two reports together.

I shall begin by saying something about safety on board aircraft. This is a vital problem which has a considerable impact on public opinion. The slightest accident to a passenger aircraft hits the headlines. Yet flying has become one of the safest modes of transport in the world and we have now reached the stage where people are wondering just how on earth safety can be improved.

Let me mention just a couple of figures. Twenty years ago there was less than one fatal accident — the figure was 0.9 — for every 100 million kilometres flown whereas now the fatality rate is down to 0.2, which represents an improvement of close on 80%. Let me repeat that: 0.2 fatal accidents for every 100 million kilometres flown. There is no comparison when you think of the dangers of road travel. People jump into their cars every day without even thinking about an accident and yet many are still nervous about flying. What causes the few accidents that do occur? The main cause is fire. The fact is that it is sometimes difficult for passengers to get out of a burning aircraft, and

another problem is that baggage and other objects can turn into projectiles and hurt people. And lastly there is the problem of seat mountings and safety belts which are not strong enough.

These are the points we insist on, therefore, even though passengers may feel we are being fussy at times when we make them comply with certain regulations, which are sometimes forgotten through carelessness. Take hand baggage, for example. Anyone who flies — and that includes me — has a tendency to keep as much carry-on baggage as he can in order to avoid the check-in. In theory you are allowed only one piece of hand baggage but people take several pieces with them and put them under or alongside the seats, and this hinders the speedy evacuation of the aircraft if an accident occurs. And baggage compartments which have not been securely closed can let fly deadly projectiles.

An even greater cause of accidents is fire, which can burn people to death. I know that the experts have perfected fire-resistant materials but unfortunately these inflammable materials often give off toxic smoke and gas which kill the passengers without burning them. This is an area that the experts have yet to look into.

Another aspect of safety that could be improved concerns seat belts. These belts, which are used on take-off and landing and during turbulence, are simple belts which hold only the abdomen, whereas safety belts in cars restrain the shoulders as well. It has been proved that the shock of sudden deceleration can cause severe injury, even fractures of the spinal column, because the passenger is held down by the lap strap while his trunk is thrown forward.

Of course, the accidents I am talking about and the ones for which we are seeking improvements are the so-called survivable accidents, because the sad fact is that one of the features of air crashes — and I must stress again that they happen very infrequently and that flying is one of the safest means of transport that exist — is that the ratio of the number of dead to the number of injured is naturally much higher than anywhere else. We are talking here about 'survivable' accidents, which means accidents occurring at take-off or on landing — and this accounts for about 80% of accidents — in which there are survivors.

I could of course say a lot more about this report, Mr President, but since it is getting late I shall confine myself to these few remarks. The Committee on Transport was unanimous in adopting it and I hope that the House will follow this example.

I should like to say a few words now about the other report, on the simplification of formalities at Community airports. This is an own-initiative report by the Committee on Transport which follows a motion for a resolution by Mr Moorhouse and Mr Cottrell on the difficulties encountered at Brussels airport.

Junot

While it is true that there are special difficulties at Brussels airport, it has to be admitted that the same can be said of many other airports in the Community. It is something of a paradox to realize that the fastest mode of transport is also in fact the most complicated for passengers. Quite apart from the fact that the peripheral location of airports means that passengers have another lengthy journey before and after their flight, air travellers within the Community — and these are the only travellers we are talking about in this report — have in turn to reserve their flight, buy their ticket, check in their luggage and have their ticket checked and stamped, wait fifteen to sixty minutes — and I am not being pessimistic! — for embarkation, undergo police and customs formalities have their hand baggage X-rayed, perhaps undergo a body search, have their boarding card checked, perhaps fill in departure or landing cards and then, on arrival, wait for their luggage to be unloaded, whereas if they took the train they would arrive right in the city centre. Be that as it may, I am a firm believer, and have been for a long time, in the development of air transport. Something has to be done and something can be done.

First of all, Mr President, since we are talking about intra-Community air transport, we have to turn to the Treaty of Rome. It upholds the principle of the free movement of persons. Perhaps you will say that I, like the other honourable Member, am being too revolutionary. But why should we not simply apply the Treaty, so that intra-Community transport becomes as straightforward as domestic transport, whether it be between Paris and Marseille, London and Birmingham or Frankfurt and Hamburg?

The point is, Mr President, if you travel by car from Paris to Brussels or from Strasbourg to Bonn, you will hardly be checked at all. In the train there is very often only a very perfunctory check, for instance between Paris and Brussels. So why should air travel have to suffer the fussy checking of passports and identity cards? Why do we not introduce the idea that intra-Community air travel is like domestic travel? You would save an awful lot of time. And do not bring up the subject of security, because there are already security checks for domestic flights between Paris and Marseille or between London and Birmingham. If we have to have them it is for very special — and, I hope, temporary — reasons.

We have to ask the airport authorities, who in general are already making considerable efforts, to simplify and standardize their information more, particularly written information because the spoken information is often hard to understand. We have to ask the airlines, which spend so much money on advertising, not to treat passengers in the excessively offhand way they sometimes do. Lastly, why do we not introduce on some routes the shuttle service they have in the United States and in some European countries? Aircraft arrive and leave at a set time, but passengers can board when

they arrive at the airport and can buy their ticket on the aircraft.

That is an initial rough list of suggestions concerning these formalities, Mr President. These and others are outlined and of course explained in the report which it is my privilege to present on behalf of the Committee on Transport, which adopted the report unanimously. I hope it will be dealt with in the same way by the House this evening.

Mr Burke, Member of the Commission. — Mr President, I would like to thank and congratulate the rapporteur on these fine reports. I would like to indicate also that the Commission has always taken an interest in all the initiatives aimed at improving the safety of air transport and we share the Parliament's concern on this issue.

In our view, the technology and the materials necessary to ensure substantial improvements in aircraft safety are already available and the rules and procedures allowing for quick evacuation of passengers already exist. The main problem at present would seem to be the implementation of existing rules. Consideration at international level of aviation safety questions is already well-developed and it is important that the Community does not duplicate or indeed do anything to impede this work. In accepting this resolution, the Commission's primary aim will be to assess whether there is a need for Community action or a role for the Commission that cannot be better carried out by the existing institutions.

Turning to the second matter under discussion this evening, the Commission is very happy with the draft resolution which is today before the Parliament on the question of simplification of formalities. We are actively trying to promote this matter and in that respect it should be noted that the suggestion to install special control points for nationals of Member States corresponds to a Commission proposal in a draft resolution of the Council which has already been submitted for the opinion of Parliament. This simplification, together with the introduction of the European passport, will not only facilitate movement by air, but will also clearly demonstrate in a concrete way to the citizens of Europe that they are members of a real community.

As is underlined in point 2 of the draft resolution, the Commission has been unable to obtain from the Council effective measures to remedy the present situation and we hope that we can count on the full support of Parliament to ensure that simplification in the movement of travellers becomes a reality. The Commission would also like to point out that it is very actively involved in finding ways of facilitating the movement of air cargo. In this area also it would request the support of the Assembly when concrete ideas are put forward in the New Year.

Mr Boyes (S). — I congratulate Mr Junot on his report and I hope he will listen to the remarks I am going to make to him particularly this evening. There is evidence, which I shall present in a moment, that unexposed photographic film is damaged by security machines at airports.

When a traveller reaches a security point at an airport, his hand luggage is generally passed through a machine which, using X-rays, allows an officer to determine whether or not a prohibited article is being carried. The apparatus nearly always contains a notice which says: 'This machine does not damage photographic film'. Therefore, travellers usually allow their cameras and films to pass through the machine. However, serious and professional photographers prefer a manual inspection because they cannot risk their films being damaged. A professional photographer is particularly vulnerable because his livelihood is dependent on the delivery of pictures to the person or agency who has ordered them.

In some cases, and there are many obvious ones — sporting occasions, long-distance trips, wars — the film is irreplaceable because the pictures cannot be repeated. Therefore the photographer must take the maximum care of his film and the minimum of risk.

An X-ray machine is an undoubted risk. In the time available I can only cite a few pieces of evidence. An official at Birmingham Airport informed me that film of 400 ASA — quite common and often used by many photographers — should not be passed through an X-ray machine.

In Canada, after rigorous scientific tests, notices on security machines were changed to read: 'X-rays may be harmful to film'. A company in Chicago has carried out a number of tests on the effect of X-rays on photographic film and I was supplied with the data. This proved conclusively the damaging potential of X-rays upon film.

My final piece of evidence is a statement from the Eastman Kodak Company. No one would challenge the importance of Kodak in the field of photography. They have warned that even lowdose X-rays pose a serious threat to undeveloped film. Kodak considers

that film should not be subjected to more than five pass-throughs. Because of this evidence, I ask Parliament to support my amendment which calls for manual inspections of photographic film and apparatus to be allowed at all airports.

Mr Eisma (NI). — (NL) On a point of order, Mr President. I assume that Mr Burke will be present tomorrow when we resume our debate, but I hope he will do more than just be present, i.e. that he will react to what has already been said and will be said tomorrow on this subject and deal specifically with the amendments tabled, which I did not hear him mention in his first contribution to this debate. May we count on a reaction of this kind from Mr Burke tomorrow?

President. — Mr Eisma, I take note of what you have said.

In view of the late hour, we shall adjourn the debate until tomorrow.

Mr Enright (ED). — I think it is quite appalling that we have not completed the agenda for this evening, that you have let people overrun. You allow people to overrun from the chair, not you specifically as President, but other people and as a result of that some of us stay around and wait to present our reports, which are actually quite important reports. And we are not allowed to present them because the time has run out. I think it is quite appalling, the way in which we organize Parliament's affairs. You can see how the very many people here are waiting with baited breath to receive my report upon the agreement we have made with the Republic of Guinea. It is quite tremendous — they have come in specially and here you are depriving them of this privilege. It is quite wrong, President. The enlarged Bureau really ought to reconsider how it organizes its affairs. And after you have voted tomorrow morning perhaps I might condescend to present my report. I know the interpreters are waiting for it and I know that some of the foreign embassies are actually waiting for it, but the Bureau is not.

(The sitting was closed at 12.00 midnight)¹

¹ Agenda for next sitting: see Minutes.

ANNEX

Votes

The Annex to the Report of Proceedings contains the rapporteur's opinion on the various amendments and the explanations of vote. For a detailed account of the voting, see Minutes.

MOTION FOR A RESOLUTION BY THE COMMITTEE ON BUDGETS (Doc. 1-1059/82, rejection of draft supplementary and amending budget No 1/82 modified by the council): ADOPTED

Explanations of vote

Mr Bangemann (L). — (DE) Mr President, the Liberal and Democratic Group, on behalf of which I am giving this explanation of vote, has always regretted the imbalance established when comparing the level of the Community's own resources levied there with the economic and financial effects of Community policy the United Kingdom. I choose this formulation on purpose to make it clear that we have never accepted the principle of 'fair returns' and do not believe that this kind of imbalance can be offset by payment of funds. One cannot simply hand over a cheque and believe that the Community has then been saved.

The Liberal and Democratic Group, however, has always regretted the failure of the Commission and Council to propose a policy doing justice to both, namely combating this imbalance and remaining within the framework of Community policies. On this point, Mr Tugendhat, I have to tell you that if you now ask Parliament to take responsibility for something you yourself did not accept responsibility for, you will not be doing the Commission a service!

(Applause)

We would have preferred it, and here unfortunately this explanation of vote goes against the opinion of the majority of this House, if the Committee on Budgets had recommended that the House should readopt the resolutions we adopted on Tuesday.

This would have brought with it three advantages. First, our position would have been repeated. If somebody says we cannot do this, he is casting doubt on the position we adopted on Tuesday, namely that we are dealing with non-obligatory expenditure. This is why I regret the negative attitude of the Committee on Budgets.

However, there is a further reason for my regret: the public, who do not understand the difference between obligatory and non-obligatory expenditure, will be tempted by a negative decision taken today to give this House the political responsibility for it. If our decision had been positive, political responsibility would have lain with the Council in the eyes of the public.

Third, our room for manoeuvre for the next decisions on the 1983 budget is impaired by this decision because if we maintain that it is non-obligatory expenditure that we are dealing with and if we modify the 1982 budget as a result, our room for manoeuvre will broaden. This view should have been legitimized just as it was by your predecessor by actually adopting such a supplementary budget. There were doubts about this, too, in the debates. I hope you eliminate these doubts.

However, I would like to say quite clearly that although my group has adopted this position and regrets that the dialogue, as we predicted, did not produce results, it still intends to maintain solidarity. We intend to join the majority and therefore back the recommen-

dation by the Committee on Budgets. We shall vote for the supplementary budget to be referred back because we intend to get our opinion accepted, come what may, and because we know that every vote counts.

But I would like to repeat that I very much regret that the Committee on Budgets and the majority of this House did not feel prepared to pursue a line marked out clearly by us on Tuesday. It would have been better for us, better for the United Kingdom and better for the Community.

I would like to say to our British friends that if we reject the supplementary budget, it will not be an anti-British decision.

(Applause)

Mr Adonnino (PPE). — *(IT)* Mr President, ladies and gentlemen, the draft supplementary budget No 1 for 1982 has once again confronted Parliament with a real problem to which a solution must be found — and that solution must be found in European terms and not in mere book-keeping terms. On several occasions Parliament has demanded that this problem should be settled in terms of balanced policies and Community interests, by way of a solution to the problem of the necessary financing and as part of the answer to the 'Mandate of 30 May'. After a good two and a half years none of this has yet happened.

We have, unfortunately, been profoundly disappointed by the attitude the Council has adopted and is continuing to adopt: once again the European Community and its real problems have been forgotten. During the first reading we tabled amendments containing detailed and constructive proposals aimed at opening a dialogue with the Council. What was the Council's reply? Its reply was to propose a vague declaration of intent — yet another one — and to reject all — I repeat all — the amendments, with the exception of the most unimportant one, which, Mr President-in-Office, obviously has nothing to do with the fundamental problems.

And now some people have the nerve to express regret that no solution has been found, in spite of the ministers' good intentions, and Mr Tugendhat appears to be attempting to saddle Parliament with the responsibility for this decision.

The Group of the European People's Party, on behalf of which I have the honour of addressing this House today, wishes to point out once again that, in giving its full support to the resolution recommending a definitive rejection of this supplementary budget after duly assessing the seriousness of the reasons adduced for this rejection, it is not in any way expressing hostility towards any Member State; on the contrary, it wants to make a solid contribution of great political value to the search for suitable solutions, using the pressure which Parliament has the duty to bring to bear on the other institutions, so that European policies may evolve in a manner which is both balanced and acceptable to all the Member States.

This, ladies and gentlemen, is why I wish to give the full support of my group to this motion for a resolution.

Mr Balfour (ED). — Mr President, we must accept that what Parliament appears ready to decide by the necessary majority and in complete conformity with its rules is constitutionally valid. We believe in democracy. Democracy can be difficult for those who are outvoted, and it can be unfair, but not for long. We shall find it difficult, almost impossible to explain in comprehensible terms what this House is about to do: to explain the reasons why this Parliament appears to have given the Council, at least for the moment, an excuse to run away from its obligations. The Parliament in our view imposed impossible preconditions on Tuesday. The Council's response yesterday and in the early hours of this morning was predictable and wholly unacceptable. And there were men of bad faith in Council who were glad to use the Parliament's votes on Tuesday and today as an excuse to go back on their word.

For those of us who believe in the desperate need for unity and cohesion in Europe this is a sad and miserable day. It may be seen in the fullness of time as having provided a neces-

sary dose of medicine, for our Community is sick. It has been isolated and exposed by those who fathered it and our action today will certainly lead to harsh words and probably to still harsher action. We will today bring on a crisis, and not just in Britain. Is this really what is needed today to secure justice in Europe?

So we hope that what comes out of this mess, which we refuse to believe is intended as a gratuitous blow to the interests of the British people — however tempting it is to think this — will form the foundations from which a fairer and more harmonious Europe will emerge. There will be much pain in the weeks ahead but Europe has already suffered much pain this century, more terrible and more destructive than the postponement of a payment of money. So we shall return to our constituencies frustrated and disappointed; disappointed that the battle between Parliament and Council was fought over an issue which we have regarded, and still regard, as an essential Community obligation. I speak of budget equity and I speak of trust.

So we must return to answer the jeering jibes and taunts of those in Britain who wish our Community ill. Our belief in the European Community and our commitment to its principles and to its development remain unshakable. So also our resolve to insist upon and to obtain budget equity and reform in both immediate and permanent form is now more than ever reinforced. Extraordinary situations call for extraordinary solutions. We now wait with impatience to see what these extraordinary measures shall be. The resolution to reject is not one which my group can possibly support.

The Council's attitude to this Parliament and to its legitimate budget powers has certainly been provocative but at the same time we believe that Parliament sought to extract conditions which even the best-intentioned members of Council could never have accepted. This is why we argued strongly that Parliament has exercised its powers on this single occasion without sensitivity and without responsibility. Yet our votes this morning, the votes of this House, will not destroy Europe nor the United Kingdom's commitment to it. We may still see something of value, of lasting value, come out of this crisis. Let us hope so. Let us, all of us, hope so.

(Sustained applause)

Mr Fanti (COM). — *(IT)* Mr President, the Communist Group supports the proposals which the Committee on Budgets submitted to us this morning in the form of Mrs Barbarella's report. I only want to make one or two comments on the statements that have been made here by the President-in-Office and by Mr Tugendhat.

Mr Tugendhat, it is not the European Parliament which feels frustrated and voices discontent. The European Parliament expresses the political desires of the people of Europe, and the crisis which is undoubtedly breaking out in the Community, is not unwelcome to some people who have no intention of taking account of political desires democratically expressed by the political forces present in this House . . .

(Applause)

. . . and this must be quite evident to public opinion throughout Europe.

There is another point that I should like to make — and here I turn to the President-in-Office: yesterday we debated the conclusions of the Copenhagen Summit, and I stressed then that one of the ills our Community suffers from has been caused by the present structure and the present *modus operandi* of the Council, that is to say, of the body which at present holds the legislative and decision-taking power in the Community. I also pointed out that there is no such thing as a European government, since it is not sufficient to express mere intentions, they must be translated into action: government consists of choosing and deciding. And the question that I put to the Danish President of the Council was precisely this: what would be the Council's reaction tonight to the proposals put forward by Parliament? We now have the answer to that question!

I only want to make one comment on the Council's answer, on this urgent request for us to modify our position. The aim is to take advantage of a fact which we are all aware of:

the relationship between the European Parliament and the Council as the governing body of the Community is not the same relationship as exists between the parliament and the government of an individual country, because if the situation that has arisen here had arisen in any of the Member States the government would have resigned, whereas here it is the Council which is calling upon Parliament to resign, to forego its vote and thus to abandon the political desires it embodies and relinquish the only power available to it to express those desires. So we must say quite plainly to the President of the Council — so that he can communicate our intentions to the other members of the Council, that the European Parliament, by voting on this matter, is also showing that it does not intend to abdicate its responsibilities but rather to affirm them fully.

(Applause)

Mr Cousté (DEP). — *(FR)* Mr President, we explained our position quite clearly during the debate, and you are aware that we are opposed to the Council's proposals.

Mr Griffiths (S). — Mr President, on Tuesday I abstained in the final vote on the supplementary budget. I believe that this budget rebate should be paid in a single instalment to the United Kingdom because the way in which the revenue is raised is fundamentally unfair. All institutions share a measure of guilt in failing to produce a permanent solution to this problem. I could not, at that stage, vote against, however, because I also represent a region — South Wales — which has felt the scourge of Thatcherism and I refuse to be used as an instrument of reaction in monetarism which has thrown millions out of work in the UK.

Thus I believe it was absolutely right in accordance with the original rebate agreement — which, incidentally, the Thatcher government has so far cynically ignored to the detriment of the regions — that pressure should have been put on the UK, with some success, we now hear, to invest their rebate in creating jobs in the regions ravaged so brutally by their uncaring extreme right-wing measures. Britain — and to a lesser extent Germany — are now being penalized in a sterile constitutional argument over the rebate. If the Parliament wishes to show its displeasure at the Commission and the Council for failing to come forward with a positive plan for budget payments, based on relative wealth, then it should reject the 1983 budget where its constitutional powers are clear. This will result in pressure being placed on all the Community's Member States for a just budget payment system, which was a high priority in Labour's 1979 election manifesto.

Mrs Castle (S). — Mr President, I am grateful to those who, by deciding to reject the supplementary budget, are proving what some of us have been saying for a long time, namely that the terms on which Britain joined the European Community are basically unacceptable and, secondly, that there is no will in this Parliament to put those terms right. Of course I am in favour of a fundamental financial reform, but it is not the United Kingdom Government which has been opposing that, and I challenge every one of you who is going to vote for this rejection to search your own minds and search your own government's as to who is holding up the fundamental financial reform. Of course I am in favour of this Parliament using its teeth for genuine reforms in the Community. I voted for the rejection of the 1980 budget because it did not do the restructuring that we all need. But look, who are the teeth being used against now? — After that rejection of the 1980 budget, what happened? Parliament climbed down, because it found that by using its teeth, it was hurting itself: its expenses allowances were at risk. So Parliament capitulated. And therefore the situation now is that you are all united to use your teeth so bravely — oh yes, not against yourselves but against one Member State.

I will wait to see what happens when the farm-prices issue is discussed. And the reform of the Community, how united will you all be then for the reforms about which Parliament has talked?

Mr Baillot (COM). — *(FR)* Mr President, the explanation of vote by the French Communists and Allies will be brief, because it is of a piece with our attitude. The truth is that

from 30 May 1980 onwards we have been quite consistent in refusing the compromise from which Great Britain was only meant to benefit on a provisional basis. As we have continually pointed out it is now proved beyond doubt that the compromise is continuing and will continue and that other countries will take advantage of it if a stop is not put to it.

Today we are voting quite unequivocally in favour of putting a stop to this business and in favour of Community policy as defined in the Treaties.

Mr Rogers (S). — Mr President, I will be voting against this resolution although on Tuesday, like Mr Griffiths, I supported the controls on the money going back to the United Kingdom. We supported it on the basis that we do not trust the present British Government to use the money properly in the interests of the people of Great Britain. All they will simply do is use this cash rebate to reduce their public sector borrowing requirement. This money will go back to a Conservative Government that has shown itself completely insensitive to the needs of the majority of the people of Great Britain. And far more concern with lining the pockets of their friends in the City of London by selling off public assets. They are not a government that can be trusted with money. But, on the other hand, like Mr Balfour, I have to return to my constituency. I have to return to a constituency where over 25% of the people are unemployed, where over 50% of the young people are unemployed, where for every job vacancy there are more than 150 applicants. Where in the last two years there has been a five-fold increase in claims and provision for children requiring school meals. But more than that help to purchase clothes, simply to go to school. And these are the very people who are going to have to pay, and who do pay, British contributions. It is not written out by the government of the United Kingdom. It is paid for by the people who live in my area and similar areas. And I cannot argue to them, or justify to them, that they should pay for an increase in food prices that is going to come about next year as a result of the 1983 budget. Therefore I am going to vote against.

Mr Enright (S). — With a very heavy heart indeed I shall be voting against the motion for a resolution tabled by the Committee on Budgets. I shall be doing so because of the assurance given by the Council this morning that the Committee on Budgetary Control was given the opportunity of ensuring that the United Kingdom Government did spend the money on Community policies as opposed to using it to support Trident.

I could not, in any case, have voted for the rejection of the budget, because I would have been going along with the cant and hypocrisy of those outside the Socialist Group who will vote and act and speak in a very different way when it comes to the time of the farm-prices review. We have seen it time and again, and I for one am thoroughly sick of it. I shall therefore vote against the motion for a resolution.

Mr Collins (S). — I want the House to be quite clear about my attitude to this vote. It is intolerable and absurd that the budget of this Community should still remain unchanged after all the exhortations to change by Parliament and after all the statements by the Council and Commission that it would be changed.

Since it is utterly ridiculous that the financial burden should fall unequally and inequitably on the Member States, then it is only reasonable that this rebate should be paid and that it should be paid in one instalment. It is not charity, it is a correction of unfairness.

That having been said, there is no way that I can ever give any kind of support to the kind of job-crushing policies being pursued by the Thatcher Government in the United Kingdom. This money ought to be spent in the regions. It ought to be used to create jobs and it ought to be used to increase public expenditure beyond the limits presently and grudgingly allowed in the United Kingdom. Therefore, it was entirely right on Tuesday to force a rethink by Council and entirely right to give no quarter and no sympathy to Mrs Thatcher in her persistent search for new levels of misery for the working people in Britain.

Finally, Mr President, I must say that before deciding on my vote I have listened to the arguments this morning. I have listened to them very carefully. As a Socialist I cannot sup-

port monetarism in any form, and yet I cannot accept a continuation of the budget's unfairness towards the United Kingdom.

Mr Saby (S). — (*FR*) Mr President, although the French Socialists had no responsibility for the Mandate of 30 May, we made it plain from the beginning that we were in favour of paying this refund. We thought that, as new policies had not been decided on, this refund could be fitted into Community policy.

Last night, our delegation went a very long way down the road of conciliation. We were ready to make an effort and to arrive at a serious conclusion. But the intransigence of the Council, the Council's more or less unconcealed desire not to arrive at an agreement, is the reason why today we shall vote, regretfully, in favour of rejection, since we cannot accept the draconian conditions imposed by the Council.

Mr Balfe (S). — Mr President, ten years ago in January Britain came into this institution with many promises of reforms and changes, none of which have effectively come through. We have staggered from crisis to crisis, and the EEC as an institution has never been popular in Britain, in contrast to its acceptance in other countries.

Today you are going to add grist to that mill, because what you are going to prove is that I and my colleagues who have consistently opposed the EEC have been right ever since we started opposing it in the middle '60s.

We have had this budget rushed through this week, in two days, in an unacceptable and irresponsible way, without proper time being given for retabling amendments, with people sitting halfway through the night, meeting at odd hours in the morning and cooking up unacceptable resolutions. I would ask our colleagues from France and Greece especially whether they would accept this if it was a challenge to them, because they are the countries which in the past have fought most strenuously for States' rights within this Parliament.

I know the solution I would advocate to Mrs Thatcher, and it is the solution adopted by General de Gaulle before, because the only thing that these institutions will accept is that kind of treatment.

Finally, I now challenge any Tory to come back to Britain and defend the common market against me publicly this week-end.

Sir Henry Plumb (ED). — Mr President, it is more in sadness than anger that one rises on an occasion like this, where behind me are a lot of people who are totally dedicated to the cause of trying to create European unity and trying to create policies within the Community which are going to be helpful and acceptable to all the people we represent.

What Richard Balfe has just said sets out the position as we see it in Britain. Nevertheless, I support and seek the support of Members of this House for the adoption of the supplementary budget, so that we can get on with our job and show credibility and responsibility in this House. I abhor some of the statements being made by Members from the opposite side of the House while taking this opportunity of dealing with parochial affairs, when our responsibility is to rise above all this and take a responsibility for Community decisions. This House has the major responsibility for deciding on the overall budget and on how resources from that budget can be used in the best possible way.

I accept the challenge of Richard Balfe and others and am prepared to go back to my country and explain what has happened. I will argue, however, that the rejection of the budget has not come from my group but from many who have wasted this opportunity to decide and agree on policies that could have been operating now in a way that would have been of interest to all and certainly in the interests of the further development of the Community.

(Applause from the European Democratic Group)

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COMPLEMENTARY BARBARELLA MOTION FOR A RESOLUTION
(Doc. 1-1062/82 'Draft supplementary and amending budget No 1 for 1982'): ADOPTED

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SABY REPORT (Doc. 1-981/82 'Budget'): ADOPTED

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ROBERT JACKSON REPORT (Doc. 1-993/82 'Budget'): ADOPTED

Explanations of vote

Mr Bonde (CDI). — (DA) We cannot support the 'free-for-all' movement which has grown up in this Parliament, where three-cornered agreements are concluded with a view to obtaining concessions and, and as soon as these concessions have been granted, are thrown overboard for the sake of new fights over new powers for Parliament. I am one of the few people in this House who thinks that the Council has already gone too far in what it decided last night, and that the budgetary procedure that we have embarked on is extremely dubious and hardly reassuring from the democratic point of view. Those who wanted to reject the 1982 budget already knew last month that they wanted to reject it. Nevertheless, they only managed to table a written proposal this morning while group meetings were being held, so that the people in the groups would not be able to familiarize themselves with the definitive text. Despite the fact that we had every opportunity to negotiate with the Council we were not in a position to obtain the Council's concessions until last night, since we were not thinking in terms of negotiations. In the light of this therefore, the Council has, I think, gone too far in the statement it has issued. The 70% extra which they granted last night is, I think, excessive, and I would urge every Member of this Parliament to compare last night's budgetary procedure with the procedures followed in the national parliaments...

Mr Denis (COM), in writing. — (FR) I shall not go into another analysis of the causes of world hunger and the meaning of the struggle that must be carried on to put an end to it, in particular the need for a juster world, and new relationships of cooperation with the developing countries based on equality and mutual interest, as with all other countries without discrimination; in brief, a new world order.

I shall stress the fact that the great problem of hunger calls both for immediate measures — because everything that can be done must be done — and fundamental measures, in full respect of the right of each people to decide its own mode of life without outside interference.

I shall also stress human solidarity, which, as recent surveys have indicated, is considered an important factor by the vast majority of the peoples of the Community.

When we vote on the Community budget we have the opportunity to make a realistic and modest contribution to this solidarity. The Council should really not be allowed to carry out its sinister cuts in this field.

This is the aim of our amendments, which, moreover, are in line with the commitments that we all entered into with our ACP partners during the recent meetings in Rome.

Mrs Theobald-Pauli (S), in writing. — (FR) Mr President, ladies and gentlemen, the French Socialists were strongly in favour of adopting increased appropriations for the Mediterranean programmes.

Our concern to obtain more justice for the poorer regions of the Community will start to become a reality if we finally learn to take account of what I shall call the 'imaginary rich', that is to say certain areas which are situated in supposedly rich regions such as the region of Provence Alpes Côte-d'Azur but which do not enjoy the same prosperity (this is the case of the Var and the Hautes-Alpes) and have serious unemployment problems.

The stimulation provided by Community action, in the event that aid from various European Funds should be provided, would seem, from this point of view, to be very important, particularly for employment.

Nevertheless, I want to emphasize that appropriations voted for this purpose for our regions merely constitute a first step and should not in any way be confused with the indispensable new measures needed for Mediterranean agriculture which must be adopted in order both to return to a just balance between support for producers in the north and the south of the present Community and to help Mediterranean farmers in the present Community to maintain their standard of living after the forthcoming enlargement of the Community.

Today we have helped to improve the way the various aid funds function in our region. Tomorrow we shall do the same thing so as to be able to face the enlargement of the Community with equanimity.

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MOTIONS FOR RESOLUTIONS ON POLAND

— LORD O'HAGAN (Doc. 1-1022/82)

— HABSBURG (Doc. 1-1035/82):

replaced by Amendment No 1 which was ADOPTED

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MOTIONS FOR RESOLUTIONS ON LESOTHO

— IRMER AND BANGEMANN (Doc. 1-1019/82)

— BERSANI AND BARBI (DOC. 1-1031/82)

— FANTI (Doc. 1-1036/82):

replaced by Amendment No 1-1019/1 which was ADOPTED

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PENDERS MOTION FOR A RESOLUTION (Doc. 1-1030/82 'Suriname'):
ADOPTED

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DONNEZ MOTION FOR A RESOLUTION (Doc. 1-1021/82 'Lebanon'):

replaced by Amendment No 1 which as ADOPTED

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**VAN MIERT MOTION FOR A RESOLUTION (Doc. 1-1027/82 'Afghanistan'):
ADOPTED**

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**EWING MOTION FOR A RESOLUTION (Doc. 1-1011/82/Corr. 'Fisheries'):
ADOPTED**

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PERY MOTION FOR A RESOLUTION (Doc. 1-1024/82 'Fisheries'): ADOPTED

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**WALZ MOTION FOR A RESOLUTION (Doc. 1-992/82 'Crisis in the coal industry'):
ADOPTED**

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**CASTLE MOTION FOR A RESOLUTION (Doc. 1-1028/82 'Regulation No 67/67'):
REJECTED**

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**PRUVOT MOTION FOR A RESOLUTION (Doc. 1-1010/82 'Severe weather
conditions in France'): ADOPTED**

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**EYRAUD MOTION FOR A RESOLUTION (Doc. 1-1029/82 'Severe weather
conditions in France'): ADOPTED**

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MOTIONS FOR RESOLUTIONS ON GUATEMALA

— **BOYES (Doc. 1-1027/82)**

— **BARBI (Doc. 1-1034/82):**

replaced by Amendment No 1 which was ADOPTED

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**BARBARELLA REPORTS (Docs. 1-998/82 and 1-1004/82 'energy development
programme: measures in favour of the united kingdom'): REFERRED TO
COMMITTEE**

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JACQUES MOREAU REPORT (Doc. 1-944/82 'NCI'): ADOPTED

The rapporteur was:

- IN FAVOUR of Amendments Nos 14 and 15;
- AGAINST Amendments Nos 4 and 5.

SITTING OF FRIDAY, 17 DECEMBER 1982

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IN THE CHAIR: MR KLEPSCH

Vice-President

(The sitting opened at 9 a.m.)

1. *Approval of the Minutes*

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

Are there any objections?

Mr. Rogalla (S). — *(DE)* I should be obliged, Mr President, if, in the second paragraph of Item 13, on page 52 of yesterday's Minutes, you would mention my capacity as author of this motion on Community

coal policy. Mrs Walz, who moved this resolution yesterday as chairman of the committee, had in fact indicated that I was the author.

Mr Patterson (ED). — On page 55 of the English version, under the heading 'Revision of Commission Regulation 67/67', it says Mrs Castle introduced the motion for a resolution.

I distinctly remember that not only Mrs Castle but none of the other authors of the resolution was here, so I cannot see why the Minutes say she introduced it.

President. — I take note of these observations.

(Parliament approved the Minutes)¹

¹ For items concerning motions for resolutions entered in the Register under Rule 49, procedure without report (vote pursuant to Rule 99), Petitions, a further motion for a resolution under Rule 49, and transfers of appropriations, see the Minutes of this sitting.

2. Votes¹

TOLMAN REPORT (Doc. 1-972/82: 'swine vesicular disease')

Mr Tolman (PPE), rapporteur. — (NL) Mr President, I should like to make a brief observation on all the amendments that have been tabled, of which there are five.

When the report was discussed in the Committee on Agriculture, none of these had yet been tabled and so I cannot speak on the committee's behalf; but, looking at them objectively, I believe we could accept them all. I am particularly inclined to give a positive recommendation as it is an ongoing situation and the fact that the committee will soon be returning to this subject allows me to do so. My recommendation is therefore positive on all the amendments.

FORSTER REPORT (Doc. 1-847/82: 'air fares')

Proposal for a directive: Article 6, paragraph 4

Miss Forster (ED), rapporteur. — We are now running into the series of amendments tabled by Mr Hoffmann. I am strongly against Amendment No 5, because it refers to the provisions of Article 7, which is not about the dispute procedure but relates to the air transport users' committee. Therefore I do not think this amendment is really admissible, because it relates to another article.

Mr Albers (S). — (NL) Mr President, in view of Rule 54(1)(a), it is impossible to vote on Mr Hoffmann's Amendment No 5. Mr Hoffmann admittedly refers to an article in the directive that has yet to be voted on, but that article has nothing to do with what he has in mind. If we vote on this amendment and adopt it, we can be assured that the result will be an opinion on a directive which does not tie up and is just nonsense. Either Mr Hoffmann withdraws his amendment or you, Mr President, must, in your wisdom, declare the amendment inadmissible.

Mr Prout (ED). — I want to support the previous speaker and remind you of Rule 54(1)(a), which says that no amendment shall be admissible if it does not relate in any way to the text which it seeks to amend.

After the vote on the draft directive

Miss Forster (ED), rapporteur. — Mr President, I ask you to refer my report to the committee.

President. — In that case, I must give the floor to one speaker for and one against.

Mr Albers (S). — (NL) Mr President, I think it is absolutely necessary to take another look, a good look, at the text as it now stands.

Mr Burke gave us last night his opinion on the amendments. He stated quite clearly that he was in favour of those tabled by the Committee on Economic and Monetary Affairs and was opposed to some of the amendments tabled by Mr Hoffmann and Mr Herman. What has now happened is that we have adopted some of the committee's amendments and equally some of those tabled by Mr Herman and Mr Hoffmann. I am afraid it will be found, on a final reading, that the resulting text does not hang together. I therefore think we shall have to send it back, if possible, to both committees — the Committee on Economic and Monetary Affairs and Transport Committee for a new opinion — to see how we can get a consistent text.

Mr Hoffmann (PPE). — (DE) Mr President, I am against referring this to committee. I would urge that we accept the amendments that have now been decided upon, for we shall surely find the Committee on Economic and Monetary Affairs adopting the same line as before, and this does not fall in with the wishes of the majority in the Group of the European People's Party and even less with the majority of the Transport Committee. We have failed to reach a sensible compromise, and I believe that this vote will enable the Commission to recognize the wishes of the Parliament and take the appropriate steps.

(Parliament decided to refer the report to committee)

3. Shipbuilding

President. — The next item is the report by Mrs Desouches, on behalf of the Committee on Economic and Monetary Affairs (Doc. 1-958/82), on

the proposal from the Commission to the Council (Doc. 1-952/82 — COM(82) 684 final) for a directive amending Directive 81/363/EEC, on aid to shipbuilding.

Mrs Desouches (S), rapporteur. — (FR) Mr President, is there any need to remind you of the conditions in which this report was drawn up? (Incidentally, the conditions in which it has been presented are almost as bad.) Haste isn't the word; 'pushed into it' is even too mild, considering that the very day I was appointed rapporteur I was asked for the text of my report. So I had to proceed by telephone and produce a job which, in view of the importance of the subject, is far too

¹ See Annex

Desouches

superficial. While a parliamentarian cannot anticipate the demands made of him, the Commission could surely have started work a little sooner, since the directive was due to lapse on 31 December 1982. This fact was known to the Commission ever since the directive had been adopted, and so the Committee on Economic and Monetary Affairs protests very strongly against this practice of submitting matters to Parliament and its committees with a degree of haste that does nothing but damage.

On the other hand, it has to be admitted that the question raised appears to be simple: are we to extend a directive, due to expire on 31 December, which lays down a degree of Community discipline in the matter of aids to shipbuilding?

What we are being asked to consider is not a new text, simply an extension. Nevertheless, we could have made a rather more serious study of this sector, which is now going through a crisis, and in reply to these various criticisms raised by the Committee on Economic and Monetary Affairs, the Commission has undertaken to produce shortly a communication on the shipbuilding sector, which will, I hope, give us an opportunity to hold a proper debate on this subject.

Meanwhile, we have thought it desirable, on the occasion presented by this report, to offer some guidelines in relation to shipbuilding. First of all, while recognizing the need for aid in this sector, the Committee on Economic and Monetary Affairs would like to see greater transparency in the rules governing them and, so far as possible, a standardization of the amounts involved.

The committee has taken up again the idea, put out in 1981, of a 'scrap-and-build' programme. The details have not yet been finalized — for lack of time, amongst other things — but we point out that it might be as well not to retain those envisaged in 1981 since the programme of that date does not seem to have produced all the results that had been hoped for.

The idea is a very simple one — that of encouraging member countries to scrap those of their vessels which are either antiquated or represent a safety risk, on condition that they rebuild. Naturally, such rebuilding should take place at Community shipyards.

I should like to link up this question with that raised in paragraph 4 of the motion for a resolution contained in my report, on the standardization of existing vessels. We call on member countries to apply strictly the international standards laid down by the IMCO or the Marpol Convention, and that would mean the modification of all those vessels which at present fail to conform to these standards. In fact, however, at the end of 1981 only 30 % of the world fleet conformed to the IMCO's requirements, and since not all of the remaining 70 % will be brought into line — which would, incidentally, have provided work for the ship-repairing

yards, as it already does at the present moment — some of these vessels would have to be scrapped, and that would bring work for the shipbuilding yards.

Our call for stricter observance of the obligations accepted by the member countries of OECD is in line with a report submitted by the Commission to the Council in September 1982, which points out the importance of international cooperation in the shipbuilding sector. Here, the Commission declares itself

disappointed and alarmed by Japan's decision to relax its previous policy of voluntary restraint, even though the general situation in 1981 was still difficult.

It says that it is

necessary that the Community can count on the solidarity and responsibility of its leading partners on the market lest it should be forced to shoulder more than its fair share of the burden.

I, for my part, would add that one should also be able to count upon a degree of European solidarity. In fact, however, no more than 58% of the orders placed by European shipowners go to Community shipyards: hence the wish of our committee to see Community shipowners reserving more of their orders for Community shipyards.

Finally, the committee has noted the reductions in capacity that have taken place during the last few years. Personally, when looking at the figures, I fear that any further reductions will result in a transfer of orders to Japan or Korea.

By adding a further brief recital to the directive, the Committee on Economic and Monetary Affairs points out the importance it attaches to all these points. It also looks forward to an early appearance of the communication promised by the Commission.

Mr Pisani, Member of the Commission. — (FR) Mr President, I wish to say how closely the analysis just made by Mrs Desouches of the situation in the shipyards corresponds to any the Commission itself may make.

The situation is a difficult one. The improvement we had hoped for has not materialized, and during the eighteen months that the directive we are considering has been in force, we have barely succeeded in maintaining a modicum of balance among the Member States.

The object of this debate is not to go into the substance of the matter. The document submitted to you by the Commission does not provide a proper occasion for doing so: the only procedure under consideration at the moment is that of extending the validity of the directive for two years, the Commission having under-

Pisani

taken, along lines very similar to, if not identical with, those adopted by Mrs Desouches, to produce substantial propositions to enable the Community, in accord with the Member States, to establish, in view of the disorder reigning on the world market, a policy capable of alleviating, not only problems of balance between one country and another as regards the aid procedure, but also all the economic, social or political problems which that implies. We are therefore grateful to the Committee on Economic and Monetary Affairs and to its rapporteur for the stand they have taken.

In view of this procedure, the amendment tabled by Mrs Desouches to the text of the directive does not seem to me to be good — not even, I would say, admissible, since it is simply a question of extending a directive without modification while at the same time — and I have already done so — undertaking to produce proposals as rapidly as possible. That will be the moment for a debate on the substance of the matter, the occasion for you to state, more fully even than you have done today, the lines which you would like developments to follow. My own wish, therefore, is that this amendment be withdrawn in view of the promises I have just made on the Commission's behalf.

There remains the reproach that we obliged the Parliament to act with precipitate haste: we can but offer our apologies.

Miss Quin (S). — I should like to support the report by my colleague, Mrs Desouches, I think she has explained clearly that the Parliament has been consulted hastily on the extension of the shipbuilding directive, and I am glad that Mr Pisani seems to support her general approach and to sympathize with the predicament in which she finds herself. I agree with the Committee on Economic and Monetary Affairs that Parliament must have time in the near future to study the problems and opportunities for shipbuilding in the EEC. For the last few years, a great deal of what we euphemistically call 'restructuring' has taken place in the industry, and many jobs have been lost, particularly in depressed regions of the EEC like my own, where new industries are few.

I believe that restructuring has now gone far enough and that shipbuilding, unlike other industries is not suffering from overcapacity. Indeed, of the EEC shipowners' annual requirements only about 50 to 60% can be met by shipyards within the Community. I welcome paragraph 4 of Mrs Desouches' report, which talks of a more positive approach and of introducing a Community policy to encourage Community shipowners to place more orders with yards in the Member States.

My own country's shipowners have a particularly bad record in this respect, and I hope that such a policy would encourage them to support the industry in their own country a great deal more than has happened in

recent years. What frightens me is the possibility that in the future, when the shipping market does pick up, Europe as a whole will not be in a position to take advantage of this and that 100% of the orders will start going to the Far East, where Japan and South Korea have recently been engaged in a savage price-cutting war.

I care about the future of this industry, and I hope that Parliament will discuss it before long and make positive recommendations to put it on a new basis for the future.

Mr Martin (COM). — (FR) Mr President, the report presented to us means further restructuring and more of the 'scrap-and-build' plan. This is a plan for increasing unemployment; it takes no account of potential needs or of the need to relaunch the maritime industries.

In the case of restructuring, the Commission proposal aims at extending the possibility of national aids to this industry, but it makes them conditional upon further restructuring. The dominant criterion in this choice is that of financial worthwhileness and not competitiveness, for there is the larger problem of the market. There can be no competitive and viable industry, maritime or otherwise, where there are economic stagnation and austerity. The shipbuilding industry depends first of all on national markets within the Community and on the world market.

In spite of the difficulties, France is today making an effort at economic growth, and the Commission should take full account of the options taken by Member States. It should not aim at coordinating the management of austerity (this is the reason why the fifth medium-term economic policy programme was not accepted); instead, it should be helping to find ways of achieving economic recovery. The last European Council had a go at this; now the further step should be taken of thinking generally about the criteria governing Community interventions in matters of economic and industrial policy. Employment, productivity, the purchasing power of incomes and professional training must be the main criteria in any attempt to achieve economic growth.

Experience shows that coordination by the Community of industrial restructuring programmes based on financial worthwhileness in a period of stagnation is a hopeless business: it does nothing to solve the problem of competitiveness, it merely makes the crisis worse and increases unemployment.

Since the report before us would support the Commission's proposals, the French Communists and Allies, if the reservations they have made remain without effect, can only vote against.

Mrs Kalliopi Nikolaou (S). — (GR) Mr President, the European shipbuilding industry is in a serious state

Nikolaou

of continuing crisis, and consequently the continuation of national support measures is absolutely essential. These should be coupled, however, with a general policy for restructuring and modernizing the whole range of activities in this sector — shipbuilding, ship-repair, shipbreaking and related activities.

This policy should have the following aims: firstly, to ensure that each country retains the minimum productive capacity (strategic minimum) necessary to cater for the Community's shipping and port requirements; and secondly, to give support to the ship-repair and shipbreaking sectors in the Mediterranean areas of the Community in particular, both because of the comparative advantages these areas possess from the standpoints of geographical location, climate and manpower, and because of the importance of these activities to regional development.

Finally, I consider it essential that the last indent of paragraph 4 of the report by Mrs Desouches, which has to do purely with shipping and is unrelated to the shipbuilding industry, be deleted. The issue of flags of convenience is currently being discussed by the appropriate international organizations, and it would not be proper, particularly in a report that does not deal with shipping, for Parliament to take a position on an issue that has not yet been resolved internationally. I hope, therefore, that my Amendment No 4 will be adopted.

Mrs Desouches (S), rapporteur. — (FR) Mr President, I should like to say something about the amendments to the directive in the light of what the Commissioner has said.

Actually, there are three amendments down to the recitals of the proposal for a directive. I accept the one tabled by the Committee on Economic and Monetary Affairs, also Amendment No 5, by Mrs Nikolaou. I have nothing to say about Amendment No 6.

I was somewhat surprised by what Mr Pisani had to say just now about these amendments. If he disapproves of the substance of these amendments, he is entirely within his rights to do so; but as regards the principle, I would point out to him that the recitals of the draft directive express a number of considerations, and I fail to see why the Committee on Economic and Monetary Affairs cannot add its own to those of the Commission.

President. — If the amendment has been tabled by your own committee, Mrs Desouches, I assume that you support it, for how can a rapporteur be against an amendment tabled by his own committee? With all votes so far, I have assumed that when an amendment was tabled by the competent committee, the rapporteur supported this amendment, because of course, he presents his report on the committee's behalf. Perhaps, however, you had some reason for taking the floor in

this particular case: in that case, I must ask you to excuse me.

Mr Pisani, Member of the Commission. — (FR) Two points, Mr President.

The first one is important, and I will present it as innocuously as I can. You took it for granted that the rapporteur could not change her mind as a result of the debate, and that means that you attach no importance to the debate, whereas if my arguments have succeeded in persuading the rapporteur to withdraw her amendment, she could have left the matter to the wisdom of the House in accordance with parliamentary tradition. Otherwise I wonder what could be the purpose of a parliament like this. I therefore insist on the Commission's right to persuade the Parliament to change its mind, and I invite the rapporteur to leave the matter to the wisdom of the House.

There is no disagreement between the rapporteur and the Commission on the substance. It is simply a procedural matter of extending a directive without changing it. The recital concerned might well form part of the motion for a resolution and would there add a political dimension to the formal act of extending the directive.

That is why I took up the position I did just now.

President. — Mr Pisani, unless I have misunderstood you, I cannot accept your interpretation. The rapporteur is reporting the views of her committee, and without consulting the committee, she cannot alter its views. The House, on the other hand, can naturally be so impressed by what you have had to say that it votes against the committee's recommendations.

The debate is closed¹.

4. Air transport (contd)

President. — The next item is a continuation of the joint debate on the two reports by Mr Junot (Doc. 1-788/82 and Doc. 1-842/82)².

Mrs Phlix (PPE). — (NL) Mr President, ladies and gentlemen, my group will vote for the motions for resolutions contained in these reports by Mr Junot. The report on the simplification of formalities at Community airports is based on the ideal that air transport within the Community enjoys an equal footing with air transport within any single country, but it is sufficiently realistic to admit that not all controls can be

¹ For the vote, see Annex.

² See the previous day's debates.

Phlix

eliminated immediately. This will, above all, not be easy with controls relating to security. The carrying out of inspections at the moment that passengers step into the aircraft, with the result that they themselves have to bring their luggage to the aircraft, can scarcely, in my view, be regarded as a 'service'.

The report says nothing about passengers from outside the Community who land at an airport in one of our Member States. Can no regulation be adopted allowing these passengers, from the moment of their arrival in the Community, to be regarded as travellers within the Community? This implies, of course, that all customs and police inspections at the place of first arrival must be carried out as envisaged by Mr Eisma in his amendment.

I have a few further observations to make on this report. Airport formalities are only one aspect of a general problem. The report says that customs and security inspections at rail or road frontierposts is more flexible than in air transport. I take the liberty of doubting that very seriously. Innumerable European citizens travelling by rail or road have, at some time or other, an unpleasant surprise. There, too, one sometimes has to wait for hours, and the most irritating of all are the customs inspections. That ordinary tourists can still be sanctioned for bringing a few bottles of wine, a few packets of cigarettes or a few grammes of coffee across the frontier provides irritating proof of the lack of fiscal harmonization and of the fact that one still cannot speak of a common market.

Another point is that the rapporteur still places great hopes in the efficacy of the so-called European passport. In fact, however, this is nothing more than a national passport drawn up according to a European standard and actually is the result — the least that could be expected — of a proposal submitted by the Commission many years ago with a view to setting up a European passport union. Naturally we are glad if any result, even the smallest, is achieved — he who does not value little things is unworthy of great things, as the proverb says, and the mills of Europe grind slowly — but this European passport union might have been the beginning to a solution of the problems besetting the free movement of persons and a Community visa policy, as today's issue of *Le Monde* points out.

The utility of a standardized passport will indeed be small if the Member States do not follow the ICAO's recommendation to provide for a machine-readable page, which is the only guarantee of authenticity and at the same time facilitates rapid inspection. It would appear that only one Member State is prepared to take this measure. It goes without saying that here strict legal measures will be necessary to ensure privacy, while at the same time it is an absolute necessity that the bearer should be enabled to read all data himself.

It should be borne in mind with the introduction of a uniform passport that the citizens of most Member

States of the Community and even of the Council of Europe do not need a passport to travel in Europe: a national identity card suffices.

So much has been said about the European passport that the public has got the impression that in future it will no longer be possible to use these national identity cards. It would therefore be helpful if the Commission, the Council or the various governments made it clear that they have no intention of abandoning the European agreement on regulations governing the movement of persons between Member States of the Council of Europe, adopted on 13 December 1957.

Mr President, I have deviated somewhat from the immediate subject of the Junot reports, because I felt it was necessary to place this important problem in as broad a framework as possible. The report by our colleague Mr von Wogau, which we debated yesterday, gives an excellent general picture of the free movement of persons within the Community — not only the free movement of workers, as envisaged in Article 48 of the Treaty, but also bearing in mind the realization of a genuine common internal market.

Mr Moreland (ED). — Mr President, the two reports that we are discussing are models of what reports to this Parliament should be. They are short, succinct and to the point. My group supports them wholeheartedly. They cover the subject very adequately, and I think most of us in this Parliament would say that there is not much to add.

Those of us who are Members of the European Parliament have to go through the periodical hell of going through airports to get to the place where Parliament is meeting. I start off by having to go through the hell of London Airport, through the 'black hole of Calcutta' called Terminal 2. I am told from behind that I am exaggerating, but I don't think I am exaggerating. I suspect most of us find going through airports hell. I think I have a lot of support for that particular comment!

Having assaulted London Airport, Mr President, I now come on to Brussels, which I have to pass through when going to committee meetings. Here I believe I have even stronger support. In fact we have an amendment down to Mr Junot's report concerning the imposition of a departure tax at Brussels airport. This is, of course, an extra burden and an extra barrier to movement in Brussels airport. I don't understand why the Brussels authorities have done this. It is the normal practice at airports to charge airlines for the number of passengers arriving at an airport. In other words, there is a passenger related tax. Why they have to go through this particular procedure baffles me. I hope the message of this Parliament will be that we should like them to stop it.

These are, of course, examples of only some of the difficulties that we have to put up with. There are, I

Moreland

believe, a large number of other annoyances at airports. I had one recently when I showed my European Parliament passport again at London airport. I was told that I should not go through the gate for UK citizens, that I clearly should go through the gate for Greek citizens. I can only say that at the next election I should be delighted to represent Crete or the Ionian islands in this Parliament. But there are lots of these trivia which do affect passengers. I am always particularly upset when I see passengers with families coming long distances, having had a long overnight flight and having to queue up to go through all the formalities. I am sure that something can be done to reduce this. Indeed, Mr Junot points the way.

So I hope that the message to the Commission and the Council is this. For goodness's sake look at the bureaucracy here! A lot of it can be reduced and should be reduced, and the sooner we get on with it the better!

(Applause)

Mrs von Alemann (L). — *(DE)* Now that our colleague has given such a heartrending account of the difficulties one may encounter at airports, I need add nothing further on that score.

I should, however, like to associate myself with his assessment of Mr Junot's reports. Mr Junot has done a really excellent job — interesting, precise and bereft of all superfluities.

I should like to say to Mrs Phlix that there is no point in demanding everything straight away — that, for example, the passport union should be introduced immediately. Admittedly, most Members of this House will probably agree that this passport union is necessary; but let us begin, all the same, with the European passport, even if it is not ideal, and then we can set about abolishing all these formalities at the airports, for people who have to travel by air are well aware that they are in for a trying time when they take the plane to go away on holiday or whatever. Let us therefore not always complain that we cannot get our ultimate wishes fulfilled; let us build the European Union bit by bit! That is better than constantly moaning that we still have not got the European passport union.

When travel is made easier in some way, this helps to create among our citizens a feeling of belonging together, a feeling which is needed but far from encouraged by the regulations in force at most airports in the Community. I do not regard Heathrow as a particularly fine airport — and that is putting it mildly, in a European spirit, Mr Moreland — but I am always glad, on arriving in England, to find that I pass through the controls before Australians or citizens of the United States of America. When I come to Great Britain, I come as a European citizen: that for me is wonderful, and I wish things were like that in Germany.

We congratulate Mr Junot on his excellent report and consider it deserves being adopted, for the psychological effects of putting flights within the Community on an equal footing with inland flights cannot be overestimated. I shall be voting for Mr Boyes's amendment, because I consider, as an amateur photographer myself, that this automatic inspection of films is not good for the films.

Mr Junot's report on safety measures in aircraft should also, in our opinion, be adopted, since it contains some very interesting points. Of course we are all aware that the level of safety in aircraft is higher than with other means of transport; that is well known; but — and here we agree with Mr Junot — there is still room for improvement. If that is the case, then we should set about it, and I think that what he has to suggest is very good.

IN THE CHAIR: MR ESTGEN*Vice-President*

Mr Albers (S). — *(NL)* Mr President, we shall be voting for both reports. In our group's view, the simplification of such formalities is an extremely important matter, because the man in the street assesses the European Community by whether it makes it easier for him to cross frontiers. This we cannot afford to overlook.

The simplification of formalities is, of course, a matter not only for passenger transport but also for freight transport. If the Commission is prepared some time to take up this matter and consider a draft directive on the simplification of formalities at airports, it would do well to consider simplifying these formalities for freight by means of modern electronics. If, as I understand, there are still difficulties here at the airports, the delays are due to the fact that all formalities are seen to on arrival at the airport itself, as a result of which the time gained by transporting the freight by air is lost again.

On the subject of safety, we are in some difficulty in our group inasmuch as we understand that Mr Eisma has objections to the setting up, at Community level, of yet another committee, composed of representatives of airlines and civil airports, for the purpose of studying safety in aircraft. The difficulty is, of course, that if such a committee is not brought into being, the question is whether the Commission's DG VII has enough staff available to take up these matters, and that I doubt. I know from experience that DG VII is seriously under-staffed and that in other sectors, such as inland waterways, road and rail transport, much has to be done with the aid of committees which supply

Albers

the Commission with the information needed for drawing up proposals. My expectation is, therefore, Mr President, that the Commissioner will have to reply that the committee is indispensable and that consequently we shall have to vote against Mr Eisma's amendment.

I wish to congratulate the rapporteur on his two reports and say that we shall support them without reservation.

Mr Eisma (NI). — (NL) Mr President, if I am not mistaken, I am entitled to fifteen minutes' speaking-time, but I shall require only a part of this.

We congratulate Mr Junot on his two excellent reports. We agree with the one on safety measures in aircraft, with the exception of one subparagraph, to which Mr Albers has already drawn attention. The point is as follows. The second subparagraph of paragraph 10 of the motion dealing with safety measures in aircraft proposes setting up yet another Community body, and in Amendment No 1 we propose that this be deleted. It is not that we disagree with the purpose of such a body, which would be to study questions of safety, but we take the view that the Commission itself should do the job. We are, as a rule, opposed to setting up one new body after another to see to everything that has to be done. I should be glad to hear the Commission's views on this. Is it not equal to the job? If not, why not? Would the Division concerned have to be strengthened? Does the Commission not think this would be better than setting up a new body?

Mr President, the report on the simplification of formalities formulates a number of wishes, many of which must, I fear, be regarded for the time being as nothing more than pious. There are in fact three groups of obstacles that can be encountered by the air-passenger. Mr Moreland gave some very telling examples. The first group consists of cumbersome and often unpractical procedures invented by the airlines and airports to make passengers waste their time and keep employees uneconomically occupied. The report contains some excellent suggestions for dealing with them.

The second group concerns inspections at internal Community frontiers and their abolition. As may be gathered from recent replies from the Commission to questions put by Mr Rogalla, it follows from Article 3 (c) of the EEC Treaty that, among other things, there is a right to the unimpeded movement of persons between Member States. It is a matter for deep regret that after all these years and after constant pressure from the Parliament, there is still no free movement of persons. For the free movement of persons no European passport is required, nothing at all is needed, any more than one needs anything to cross the border from Texas to Louisiana, from Württemberg to Bavaria, from Belgium to Luxembourg or from one Scandinavian country to another.

To be able to do away with these inspections, one — but at least one — condition must be fulfilled, and that concerns the third group of obstacles — namely, inspections at the Community's external frontiers. As Mr von Wogau points out in the first paragraph of his motion for a resolution voted on earlier today, inspections at each Member State's external frontiers must be such that the protection against crime, weapon-smuggling, illegal immigration, etc., is considered adequate by the other Member States. This is why we have tabled Amendment No 1, urging that controls at external frontiers be so tightened up as to make them acceptable to other Member States. The wording of this amendment makes it clear that it is not, of course, intended to promote protectionism but only to create the conditions needed for the abolition of controls at internal frontiers.

In conclusion, Mr President, as I said in the question I put to the Commission when this debate was adjourned at midnight, I expect from the Commission a clear reply to whatever has been brought forward by representatives of the Parliament in this debate; in particular, I should be glad to have a clear reaction from the Commission to the amendments that have been tabled.

Mr Kaloyannis (PPE). — (GR) Mr President, both of the reports by Mr Junot are unquestionably very accurate and substantive. Above all else, they depict the situation precisely as everyone through bitter experience has come to know it, and they propose realistic measures for rectifying it.

Mr President, I do not want to repeat all of what is correctly recorded in the reports. I just want to use the opportunity of this debate to state that the Council's indifference towards transport policy is well and truly evident. This indifference is part of a more general indifference, and it is very right indeed that the process of recourse to the European Court has been set in motion. This is incontestably a profound indication of the extent of the omissions that have been noted, for these measures ought to have been initiated by the Commission or the Council and not left to the good intentions of the Committee on Transport or of certain other colleagues using the device of tabling proposals for a debate.

I would urge the Council and the Commission at least to follow up the possibility of developing and implementing these proposals if they are endorsed, because if they continue with intimations and prayerful sentiments nothing will ever get done. I would ask, as other colleagues have done, how we can possibly expect good treatment, simplification of procedures and of control formalities, most of which are utterly needless, when we ourselves, Euro MPs with a special passport — freedom of passage, that is — who need to move around two or three times a week, are not taken into account by either national or other authorities. We

Kaloyannis

suffer these tribulations and we demand that others, who do not have special passports, should not have to suffer a great deal more than those of us who do have this privilege and still have to put up with these difficulties. So I wish — and this is not aimless, or seeking after partial treatment, or selfishness in virtue of the fact that we enjoy a certain position — that the matter could be referred somewhere, or that the Commission would show some concern, so that out of all the things that are rightly proposed in the two reports — and chiefly in the one dealing with the simplification of transfrontier procedures — something could be done for us as well. This might help to facilitate the movements of those travelling from distant areas, such as Greece, who suffer a multiplicity of troubles.

Mr Habsburg (PPE) — (DE). Mr President, most speakers so far have complained about conditions at their airports. I have the honour here to represent the CSU — that is to say, Bavaria, and would like to stress yet again that the way we are treated in Munich we can be quite satisfied. I should like you to come one day to Munich to see how an airport — heaven knows, not perfectly, but nevertheless very satisfactorily — can be organized.

I congratulate Mr Junot heartily on his two excellent reports. I shall deal with the one on safety measures in aircraft, since a great deal has been said on the other and the only comment one can possibly add is that we should not under-estimate the importance of the European passport.

Let us be grateful for the progress that has so far been made, bit by bit. For the citizen, it is a first but nevertheless fairly important step, especially as it is usually at the airport that he, the ordinary citizen, is confronted with bureaucracy in its worst form. I think, for example, of those curious yellow papers that one has to hand in in Paris and of which it can certainly be said that they will never be read but will go to collect dust in some archive or other. That is the sort of thing that must be abolished: we must break out of this vicious circle.

Now about the question of safety: three small points, Mr Junot, are, I think, important. First of all, the excess luggage that passengers take with them. The best safety measures are pointless if passengers are allowed to take a guitar, or even a piano, with them as hand luggage and so throw everything out of order. I fly a great deal, and my impression is that this sort of thing is increasing. We should be careful.

I welcome the idea that it should be possible to lock the luggage compartments over passengers' heads. Only too often, things come flying down. This constant source of embarrassment should be removed.

On one point, however, I cannot share the rapporteur's opinions, and that concerns the question

whether better and more thorough emergency drills should be carried out. In reality, no one pays the slightest attention to these so-called emergency drills: the stewardess stands up in front and goes through the motions, and everyone else reads his newspaper. All these formalities are, I think, unnecessary: better is the piece of paper in front of one in one's seat, for this one can read if one is interested and when things begin to take a downward turn, there is still time to do so, whereas what has been explained a couple of hours before has long since been forgotten.

The entire report on safety measures has as its background, of course, a single fact which, in my opinion, is decisive: all safety measures cost a great deal of money. With very few exceptions, all our airlines are in a difficult financial situation, so that they can simply no longer afford this sort of thing. For us Europeans, this raises once again the question what we can do in the Community to bring the airlines closer together. In the past, there have already been projects for a common European airline, at least for certain routes, and these almost met with success. We really should make an effort — without limiting freedom of economic action — to revive this idea of a joint European airline, particularly for routes outside Europe, for the recent decision on Eurocontrol, which, in my view, conflicts with the decision made by Parliament, is a good example and a clear proof of how our revered governments — and not only in budgetary questions in the Council — are constantly trying to turn the clocks back. Politically speaking, they are returning to the Stone Age of the nation-states. It is therefore high time for us to move forward, so far as air travel is concerned, to a European way of thinking.

I therefore thank Mr Junot once more for his excellent report, which we shall all be only too glad to support.

(Applause)

Mr Burke, Member of the Commission. — Mr President, I should like to reply to the request of an honourable Member last night that the Commission should indicate its position on the various amendments.

I will convey to my colleague who is responsible the interest of Parliament in these safety matters. On the question of safety measures in aircraft, we can agree with Amendment No 1, tabled by Mr Eisma. The Commission will, of course, consult experts from the various airlines and airports as the need arises, although the scarcity of personnel in DG VII means we should not be able to go too deeply into this.

I have to disagree with Amendment No 2, by Mr Boyes, on the simplification of formalities at airports, as we agree with the rapporteur that security could not be guaranteed by manual inspection only.

Burke

We can accept Amendment No 3, by Mr Moreland, on the simplification of formalities.

Finally, I have an open mind on Amendment No 1, by Mr Eisma, on formalities at airports. I think it is not relevant to the resolution before the House. Nevertheless, we agree that uniform controls at Community external borders are a suitable matter for Community action, as this relates to the idea of a passport union. So we will have a look at that.

I want to thank all the Members who have spoken and to say that I shall convey the views expressed here to my colleague who is responsible.

Mr Enright (S). — I want to put a question on the Boyes amendment, which does not relate to manual inspection but the manual inspection of films. I think there is an important distinction here.

Mr Boyes (S). — I should like to ask the Commissioner a question on my amendment on X-rays and calling for the right to a manual inspection. I can assure you, as a man who carries photographic gear with him all the time, that the manual inspection of my equipment is much more rigorous than putting it through the X-ray machine, in that my cameras, as those of all photographers — and I speak from great experience — are taken apart for inspection inside, outside, the lenses and so on. Then, if there is any further check — in spite of the waste of film — an exposure is made in front of the person. I would suggest that the manual inspection is much more rigorous than that with the X-ray machine. It means that every individual item of equipment is carefully inspected. I would like the Commissioner to comment on that statement, please, if it is within the rules.

Mr Burke, Member of the Commission. — Mr President, as this is a matter of technical complexity, I would like to indicate to the House that I will have the matter further examined and, as far as I can, urge my colleagues to do so. We will take a more open attitude towards this and see what can be done about the matter raised by the honourable Member.

President. — The debate is closed.¹

(After the adoption of the motion for a resolution (Doc. 1-842/82))

President. — Mr Boyes, why do you wish to take the floor?

Mr Boyes (S). — I am sorry, Mr President, it was a fall-back position in case my amendment was defeated.

As it is I welcome Mr Burke's promise that the Commission will investigate this technical matter further.

5. Fisheries

President. — The next item is a joint debate on the reports by Mr d'Ormesson, on behalf of the Committee on Agriculture (Doc. 1-965/82), and Mr Enright, on behalf of the Committee on Development and Cooperation (Doc. 1-961/82), on

the proposal from the Commission to the Council (Doc. 1-756/82 COM(82) 599 final) for a regulation concerning the conclusion of the Agreement between the Government of the Revolutionary People's Republic of Guinea and the European Economic Community on fishing off the Guinean coast.

Mr d'Ormesson (PPE), rapporteur. — (FR) I shall deal, first, with the Agreement itself, then with the problems raised by the policy of the European Community concerning fishing in the East-Central and South-East Atlantic and, finally, what, in my view, is the ultimate aim of our North-South activities.

This fisheries agreement is the third to be negotiated by the European Community with one of the ACP countries, following those concluded with Senegal and Guinea-Bissau. It is very similar to these though of longer term, having been adopted for three years; it carries the possibility of being extended by tacit agreement; it contains a number of rules which seem to me to be extremely good and judicious; and its aim is, obviously, to develop, within the Lomé agreements, fish resources as one of the means of combating the lack of proteins among the peoples of Africa.

Among the specific provisions, I note that the Guinean authorities are to issue licences against payment, by the shipowners, of a duty of 100 ECU per CGRT. Alternatively, the shipowners can pay in kind by unloading part of their catch at Conakry. Moreover, within limits laid down in the exchange of letters annexed to the Agreement, they are to employ Guinean sailors on board their vessels. All these are wise provisions.

It is desirable that the European Community should take an interest in the question of fishing in the whole of this region, known as the East-Central and South-East Atlantic. Incidentally, I have the honour of having quite recently been appointed by the Committee on Agriculture to deal with this problem next spring.

Exploitation of the fish resources of the Atlantic is one way of helping to resolve the problem of hunger in Africa, and we should be wrong to under-estimate it; but on this occasion I would point out that there are

¹ For the vote, see Annex.

d'Ormesson

going to be obstacles, in particular the policy of the Soviet Union, using Cuba as a cat's paw. Those who imagine that the Cubans are in Africa solely because of Pretoria are allowing themselves to be deceived by arguments of purely tactical importance. The Soviets have two main and one subsidiary object in Africa. The two main objects are the two sources of wealth on which the West depends for survival: energy in the Persian Gulf is the reason for the Cuban's presence in Abyssinia and the South Yemen, while the mineral resources of Central and Southern Africa explain their presence in Angola and Mozambique. It is clear, however, that they also want to control the fish resources of the Atlantic, and this is part of the reason for their presence in Guinea, a presence which is becoming more and more unpopular. According to reports recently conveyed to me by Mr Frédéric Dupont, who was sent to the People's Republic of Guinea by the French National Assembly and has just returned after meeting the country's authorities and political leaders, the Cubans' presence there represents an intolerable burden which the country hopes we shall help them to bring to an end.

This agreement provides a means of tying Guinea to a European policy, of showing the interest that we take and of helping it to develop its fisheries. It is therefore an agreement to be welcomed.

Finally, by concluding fisheries agreements with countries down the entire Atlantic coast, we shall, little by little, gain a foothold for our influence. This will bring with it a development of these countries' resources and in the end promote freedom.

Mr Enright (S), rapporteur — Mr President, I will not detain this House — the multitude of you who have stayed for this very exciting debate — for long, and there are several things I do not need to say now that Mr d'Ormesson has spoken.

I would only like to say one thing in reply to him. I think it is a great shame to drag the East-West conflict into the European Communities' development policy. It is the North-South dialogue that we should be discussing. If we are talking about the way in which Cuba or Russia deploy their factoryships in Africa, the Caribbean and the Pacific, then we should also mention the Japanese. It is not just one country that does it, it is a number of countries. They are all wrong, and let us not make it part of the East-West conflict! We are much more concerned as a Community with development policies than individual political paths: this occurs with bilateral aid and not nearly so much with Community aid, and I think it is terribly important that this should be so.

In presenting my report, I would also like to endorse Mr Kellett-Bowman's opinion. He told me that he was not able to be here today, but we discussed his opinion and I certainly accept everything that he has to say.

We in the Committee on Development and Cooperation wish to emphasize the training aspects of this programme. We would like to thank the Commission very strongly indeed for taking on board the two previous reports and the recommendations that we made in them. I had the pleasure of presenting both of them to this Parliament, and Parliament unanimously endorsed them. This shows, I think, in an exemplary fashion the way in which Parliament and Commission can work together as long as the Council does not get in the way, as it has not done so far on these fishing agreements.

We would like to emphasize, too, the importance of sending out advisory experts. We do need, when we talk about the transfer of technology, really to transfer that technology and not play our cards close to our chest. The question of the food situation has already been mentioned, but I would like specifically to emphasize that the wealthier partner, in other words ourselves, should not be the one who is taking the cheap benefit out of this. I well understand the workings of capitalism, and I say this is no derogatory way. There has to be a profit made and there will be a profit made. That I accept — it is in the nature of things — but let us make sure that it is a reasonable return, a reasonable profit, and not exploitation, as it all too often is.

That brings me to the recommendations about the local population and their employment. This is a case where we are thinking not of the employment of Europeans but of absorbing local unemployment situations in Guinea, and I think we must emphasize that absolutely.

Finally, I should like to say something about concluding regional agreements. I think it is a great shame that we have covered Senegal, Guinea-Bissau and now the Republic of Guinea and that we are not able to conclude regional agreements. It is not, I think, entirely the fault of the Community, but we do need to emphasize to our colleagues and comrades in the ACP countries that it is not in our interests but in their interests that we conclude regional agreements.

May I, in its absence, call upon the Council to endorse this agreement with the greatest possible speed. It is of benefit to the Republic of Guinea and indeed to the Community as well, and the Council should be swift to adopt this regulation.

Mrs Ewing (DEP). — Mr President, I would like to thank the rapporteurs for their work. There can be few worthier aspects of the work of a Member of the European Parliament than to help the developing countries to feed themselves. Fish is the key to solving the problem of starvation in the Third World, and it is really quite extraordinary what an underdeveloped resource it is in world terms. The west coast of Africa is one of the richest fishing-grounds in the world, so

Ewing

rich in fact that if one stands on the pier anywhere there one can actually see the water teeming with the fish. Yet if you travel just an hour or two inland in some of the countries such as Senegal and Mauritania, as I have done, you find yourself facing a situation of near starvation.

It seems slow progress, but I know how difficult it has been for the Commission to make even these agreements, and I do not think that it is the Community's fault here. I agree with Mr Enright that regional plans, cooperation among these States, is the desirable end and that the absence of these things, again, is not the Community's fault. But it is something we should be actively encouraging them to do.

One-eighth of the world's fish is taken by the USSR to feed its own people. For some reason which I have never quite understood, the USSR has failed to develop its own land, which is in some cases perfectly capable of producing food. It seems to allow it to lie fallow and then make up for that by taking fish that properly belong to other countries. There is no ocean, there is no sea where there are not Russian factory-ships. Now the Russians entered into agreements with all these West African countries with whom the Community has now also got agreements. They got fishing-rights in exchange for promises of training and of refrigeration and preservation facilities. In almost all cases they have broken completely their promises to these countries, who are finding them out and who are beginning now to cut off the rights that were given to Russia.

Having said that, I must say that Japan and Korea's behaviour in West Africa is much worse than the Soviet Union's. At least Russia has trained some members of crew and has provided some refrigeration facilities, while to my knowledge, having been to these countries under the Lomé Convention as one of your delegates, the Japanese and the Koreans have done almost nothing. And yet they too come and plunder these seas in order to go and take the fish back.

The EEC is not a threat to these countries. Indeed, many more of our fishermen could properly and to the advantage of these countries enter into joint ventures, but our fishermen traditionally do not want to be away from home long enough. That is the tradition, and I do not think it will be broken; so I do not think that we are a threat in terms of catch at the moment, and I do not think we are ever going to be a threat, which means we can approach these countries. I hope there will be more agreements like this and that we can genuinely be the honest broker. The Africans, if they are fair, will accept that they have really nothing to fear from us.

It seems to me, and I hope this is not irrelevant, that the solution here is to encourage Spain on the eve of her entry to send her massive fleet southwards. It is logical, it is a nearby area. Moreover, this Community

should offer serious financial incentives to the Spaniards to help with the training of these people, because they desperately need ordinary training not just as captains of boats but training as crewmen. They desperately need even the simple skills of curing and smoking and preserving. These less expensive types of preservation are the things we should be directing our attention to. Refrigeration does not really solve very much, since you have still the problem of getting the stuff into the interior of these countries.

I welcome all the work the Commission has done. I hope there will be more agreements like this and I hope that the Commission will take on board my oft-repeated request that the Spanish fleet go down, and not up to the North Sea, where there is absolutely no room for them.

IN THE CHAIR: MR DANKERT*President*

Mr Pisani, Member of the Commission. — (FR) The Commission is gratified by the welcome accorded to its proposal and would like to take advantage of this opportunity to make a number of observations.

The fisheries agreement now submitted to you combines, like others of the same nature, three aims. The first is that of serving the interests of the European Community itself, which needs fishing-grounds to replace those off its own coasts: this means that there is a mutual interest and not merely aid to development. The second is that of ensuring that foreign fishing-fleets respect the natural wealth of the developing countries of Africa, which only too often factory-ships come to pillage without paying any indemnity or showing any other form of consideration. The third is the desire to promote development, a desire that leaps to the eye on reading the texts of these agreements and which means an obligation on the part of the fleets of the Community to pay duty, concede part of the catch and train fishermen — an obligation, in other words, to help make the riches of the sea an important element in balancing the food resources of the coastal countries.

The question has been asked whether there can be more agreements like this one, and a policy has been called for in this connection. I can say that, as part of our relations with non-associated developing countries, we are at present studying the possibility of concluding an agreement of this kind with Angola. More generally, a study has been initiated for the purpose of drawing up an inventory of the fish resources along the whole of the African coast, as the basis for a fishing plan designed to ensure the protection and even

Pisani

development of these resources by striking a balance between their natural development and the level of catches. We are therefore on the right road.

I cannot conclude before pointing out that fish resources are not confined to those along the coast. In a continent like Africa, there are also the lakes and rivers to consider, and here again we have begun a series of attempts, sometimes on a large scale, to help ensure that these resources also form an element in the balance of food resources needed by this vast continent threatened by hunger. It is in the light of such considerations and with the prospect in mind of a development policy which must also be a policy of mutual interest that the agreement now before you has to be seen.

Once again, I am grateful for the rapporteur's support and, I hope, that of the House.

President. — The debate is closed.¹

(After the vote on the two reports)

Mr Enright (S). — There is a rumour flying around the place that the Council is going to reconvene us to discuss the 1982 budget next week.

Could you either confirm or deny that rumour, Mr President?

President. — Mr Enright, I can only say that rumours never reach me.

(Laughter)

Mr Enright, and dear colleagues, I said rumours never reach me. That is why at this stage I think the time has come to wish you all a very good Christmas holiday, a good Christmas Day, a good beginning to 1983 and I hope also a good new year.

I think we have tried to bring this Parliament a little bit further in 1982. 1983 will be a more difficult year, not only difficult for the Community but also for us because of the rapidly approaching date for the elections of 1984.

I wish you all the strength you need to get the campaign for those elections off the ground in 1983.¹

6. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

(The sitting closed at 11.50 a.m.)

¹ For the vote, see Annex.

¹ For details concerning motions for resolutions entered in the register under Rule 49, time-limits for tabling amendments, forwarding of resolutions adopted during the sitting, and dates for the next part-session, see the Minutes.

ANNEX

Votes

This Annex indicates rapporteurs' opinions on amendments and reproduces the text of explanations of votes. For further details of the voting, the reader is referred to the Minutes.

TOLMAN REPORT (Doc. 1-972/82: swine vesicular disease): ADOPTED

The rapporteur spoke

in favour of all the amendments.

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HORD REPORT (Doc. 1-973/82: foot-and-mouth disease): ADOPTED

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KIRK REPORT (Doc. 1-943/82: fishery resources): ADOPTED

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BEAZLEY REPORT (Doc. 1-957/82: manufactured tobacco): ADOPTED

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CARETTONI ROMAGNOLI REPORT (Doc. 1-963/82: financial aid): ADOPTED*Explanation of Vote*

Mr Skovmand (CDI), (*in writing*). — (DA) It is generally recognized that, qualitatively speaking, the Community countries' development aid is of little value. This is almost inevitable, since this aid, like all other kinds of multilateral aid, is served by a cumbersome administration. There are also political ties which the United Nations Development Aid Programme does not have to take into account.

Unfortunately, Denmark is Treaty-bound to make a financial contribution to the Community's programme of development aid for the ACP countries, as a result of which it has had to reduce that part of its contributions which so far has passed through organs of the United Nations. A further stepping up of the European Community's Development Aid Programme would mean that this part of the Danish contribution to development aid would have to be reduced yet further.

We of the Danish Popular Movement Against Membership of the EEC can therefore not support this report.

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VERONESI REPORT (Doc. 1-978/82: information technologies): ADOPTED

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NOTEBOOM REPORT (Doc. 1-1006/82: Communities' own resources): ADOPTED

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PAPANTONIOU REPORT (Doc. 1-845/82: competition policy): ADOPTED

The rapporteur spoke

in favour of Amendment No 11, and

against all the other amendments.

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VON WOGAU REPORT (Doc. 1-642/82: customs union): ADOPTED

The rapporteur spoke

in favour of Amendments Nos 1, 2/corr., 3, 4 and 5, and

against Amendments Nos 7, 8 and 10.

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DESOUCHES REPORT (Doc. 1-641/82: local transfrontier traffic): ADOPTED

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RUFFOLO REPORT (Doc. 1-664/82: credit institutions): ADOPTED

Mr Moreau, deputizing for the rapporteur, spoke

in favour of Amendments Nos 1, 5, 6 and 10, and

against Amendments Nos 3 and 4.

Explanation of vote

Mr Bonaccini (COM). — *(IT)* Mr President, we have voted for the directive as a whole and we shall be voting for the motion for a resolution; nevertheless, we take a negative view of the fact that in Article 3 the figure originally proposed by the Commission as the criterion for allowing exemptions from consolidated supervision has been quintupled and therefore wish to state that we have certain reservations in approving the directive as a whole.

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FORSTER REPORT (Doc. 1-847/82: air fares): REFERRED TO COMMITTEE

The rapporteur spoke

in favour of Amendments Nos 12, 21, 22, 23, 35, 36, 37, 38, 40, 41, 42, 44, 45, 46, 48, 50, 51 and 53, and

against Amendments Nos 1, 2, 4, 5, 7, 17, 19, 20, 24, 25 and 30.

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DESOUCHES REPORT (Doc. 1-958/82: shipbuilding): ADOPTED

The rapporteur spoke

in favour of Amendments Nos 1, 2, 5 and 7, and

against Amendments Nos 3 and 4.

Explanation of vote

Mrs Théobald-Paoli (S), (in writing). — *(FR)* In view of the persisting gloom on the internal market, the Commission is asking us to extend until 31 December 1985 this directive limiting public aids to shipbuilding 'with a view to its rationalization and restructuring'.

For us in Europe, shipbuilding is of strategic importance, because it provides, first, the warships that we need and, secondly, the merchant ships that are the key to our prosperity as the world's biggest importers and exporters. It also helps to maintain employment in regions suffering from a high level of unemployment, where it constitutes a mono-industry without proper opportunities for converting to other forms of production. This applies to the French Mediterranean coast, especially the Côte Varoise.

Even though the directive has to be extended, we must go further and adopt a more aggressive policy *vis-à-vis* the shipbuilding countries of the Far East — Japan and, above all, Korea — which are undermining the voluntary restraint undertaken, not without sacrifice, by the Community.

There is no sense in undertaking such sacrifices if our competitors turn them to their advantage by pursuing their own economic growth. This was the point of my amendment. It is a matter for regret that Parliament did not adopt it.

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JUNOT REPORT (Doc. 1-788/82: safety measures in aircraft): ADOPTED

The rapporteur spoke

in favour of Amendment No 1.

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JUNOT REPORT (Doc. 1-842/82: simplification of formalities): ADOPTED

The rapporteur spoke

in favour of Amendments Nos 2 and 3.

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D'ORMESSON REPORT (Doc. 1-965/82: fishing off the Guinean coast): ADOPTED

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* *

ENRIGHT REPORT (Doc. 1-961/82: fishing off the Guinean coast): ADOPTED

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