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NOTE TO READER

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IN THE CHAIR: MR DANKERT

President

(The sitting opened at 4.30 p.m.)

1. Resumption of the session

President — I declare resumed the session of the European Parliament adjourned on 28 April 1983.¹

2. Agenda

President. — At its meeting of 13 April, the enlarged Bureau drew up a draft agenda. This has been distributed, together with an addendum containing modifications decided upon by the enlarged Bureau at its meeting of 28 April.

¹ For items concerning approval of the Minutes, motions for resolutions under Rule 49, petitions, transfer of appropriations, authorization of reports and reference to committee, documents received, and texts of treaties forwarded by the Council, see the Minutes of Proceedings of this sitting.

At the meeting held this morning, the chairmen of the political groups authorized me to propose a number of changes to the House.

(*The President read out the changes proposed to Monday's agenda*)²

With regard to Tuesday, since the agenda is very full, I have to appeal to the understanding and spirit of cooperation of all Members, particularly rapporteurs and draftsmen of opinions, to reduce their speaking-time to the absolute minimum.

The President-in-Office of the Council asked us whether he might make a statement on the Foreign Ministers' deliberations of the day before yesterday, but he has now decided not to do so. In view, however, of the engagement he had previously made, I think the Parliament should take advantage of Mr Genscher's presence. At the meeting of political group chairmen this morning, half an hour was laid aside for group spokesmen to deal with certain aspects of the Genscher-Colombo project, and even if the President-in-Office makes no statement, the groups could still take the floor. I therefore put this question to you.

² See the Minutes.

President

I come back to the changes proposed to Tuesday's draft agenda. Parliament will be called upon to vote, between 4.30 and 6.30 p.m., on the Barbagli report, which has 138 amendments, on the Israël report, which has 35 amendments, on the Bethell report with 8 amendments, and finally on the Klepsch and Penders reports.

Question-time should begin — this depends on whether or not you wish to have an exchange of views with the President-in-Office — at 6.30 or 7 p.m. If there is a debate or discussion with the President-in-Office, it will be 7 p.m.; otherwise 6.30 p.m.

Mr Bangemann (L). — *(DE)* Mr President, if I understand you correctly, the President of the Council no longer intends to make a statement on the progress of the Council's deliberations to date. If that is so, then I see no reason for a debate; we agreed this morning to have a debate after the statement had been made, my colleagues naturally feeling that a President-in-Office of the Council should not make a statement of this kind without Parliament responding to it. But if no statement is made, no response is necessary. As everyone knows, it takes two to get married; if the other partner is not willing, I see no point in our standing at the altar and calling out 'I do' continuously.

President. — If the House agrees, then, voting-time will be from 4.30 to 6.30 p.m. and Question-time, with questions to the Council, would go on until 8 p.m.

(Parliament adopted this proposal)

Mr de la Malène (DEP). — *(FR)* Mr President, my group is willing to rally to this point of view. But since this is the eve of Stuttgart, we are well aware, all of us, that the meeting will either solve the problems or Europe will be facing another crisis — and this is something we quite naturally do not want.

The Genscher-Colombo project will also be discussed at Stuttgart. We can see that the project is petering out and the question is whether we should stand back and let this happen or protest, as you suggested, by adding Parliament's feelings to your question on Community financing on Wednesday. We should solemnly draw the attention of the Heads of State and Government to their responsibilities.

However, should we be content to draw their attention to nothing more than the matter of financing, which is your question, or should we extend the debate to the Genscher-Colombo project? That is the question on the table for Wednesday, Mr President.

President. — Mr de la Malène, you have hit the nail on the head, but I think that if we are to discuss the Genscher-Colombo project, it would be better to do so in the presence of the President-in-Office of the

Council — that is, one of its authors. That is why I was keeping open the possibility of doing this tomorrow.

Mrs Scrivener (L). — *(FR)* Mr President, after the last speech and the debate which preceded it, I should like to say that I have tabled a resolution with a request for an early vote to wind up our debate on Wednesday, the very aim of which is to make known Parliament's position on the absolutely vital matters you mentioned earlier. If no solution is found, the Community will be in the gravest danger.

I think we should take a decision on this point.

President. — This decision has already, in principle, been taken, Mrs Scrivener since it is included in Wednesday's agenda.

Mr Barbi (EPP). — *(IT)* Mr President, I fully appreciate what Mr de la Malène said a moment ago. However, as both you and Mr Bangemann have pointed out, if the President of the Council will not be providing us with new material for discussion regarding the Genscher-Colombo Act, we shall be unable to discuss it tomorrow.

I agree with Mr de la Malène that on Wednesday, when we shall be discussing proposals from the Commission which more particularly concern financial aspects, we shall be able to extend the debate to cover political aspects as well. We shall therefore take the opportunity on that occasion to go beyond pure and simple financial questions, and draw the attention of the Council of Ministers — and hence the Stuttgart Summit — to this matter.

President. — Now I have heard Mr de la Malène and yourself, it would perhaps be wise to see whether the Council can be represented on Wednesday morning. I will take steps in that direction, but I cannot guarantee any success. It seems to be difficult.

Mr Barbagli (EPP). — *(IT)* Mr President, you have told us that there are about 138 amendments regarding the reform of the European Social Fund. You also told us of your proposed intention to bring my report forward to this evening, and take the vote on it tomorrow evening.

I should like to point out the snags in this arrangement. As rapporteur, I have not yet in fact been able to have a look at all these amendments, and I do not think that the political groups are familiar with them, either.

President. — Mr Barbagli, it makes little difference, for the simple reason that the amendments will not be distributed until tomorrow morning.

We would therefore prefer to ask you to present your report this evening in order to allow the political groups more time.

Mrs Salisch (S). — (*DE*) Mr President I quite understand your reasons for wishing to introduce the Barbagli report this evening although I am very concerned about such an important matter as the reform of the Social Fund being cut in two in this way. I do, however, appreciate your problems with the agenda.

I would like to comment on what Mr Barbagli has just said about putting the amendments to the vote tomorrow evening. Please do not take it amiss, but I cannot conceive how we can vote on these 135 amendments — which I haven't even seen yet — tomorrow evening. I therefore ask you to postpone voting on the amendments to the Barbagli report until Wednesday, regardless of when the report is introduced.

President. — We should try to deal with the amendments in the groups tomorrow, since otherwise this long vote would have to be deferred to Wednesday or Thursday, where we have similar difficulties. The difficulty about this week is that there are too many reports on the agenda and if any disorganization occurs, the whole will collapse. In order to avoid this, I should like to keep to my proposal.

I have received a request from the Group of the European People's Party that the debate on Mr Klepsch's report on the date of the European elections be held at 3 p.m. Does the EPP Group maintain this request?

Mr Barbi (PPE). — (*IT*) Mr President, we have accepted the draft agenda approved this morning at the meeting of the Bureau.

President. — The matter is accordingly settled.

As regards Wednesday's agenda, the question by Mr von Wogau and others to the Commission, on bottlenecks in deliveries of steel products owing to restrictive quota arrangements, has been included in the debate on Mr Wagner's report on the steel industry, and I propose to the House that Mr Moreau's report on the NCI and Mr Wagner's report on the steel industry be entered on Thursday's agenda for the beginning of the afternoon sitting, that is to say, at 3 p.m.

In this way, the group chairmen feel they have met the request of the Committee on Economic and Monetary Affairs that this debate be held at a fixed time, while ensuring that the agenda for Wednesday and Thursday is correctly organized.

Mr J. Moreau (S). — (*FR*) Mr President, I support this proposal although, clearly, I am sorry you have moved our discussion of the text by a day, as a number of people, members of the press and certain local representatives in particular, had been informed that the debate would take place on Wednesday. However, I think the step taken is a wise one and I, for my part, support it.

President. — I regard this proposal as having been accepted.

Mr Pranchère (COM). — (*FR*) Mr President I am going to explain why we are making you two proposals — one to the effect that we should approach the Council of Ministers on agricultural prices and one on altering the agenda for Wednesday.

I should like to say that, once again this year, the farmers will be falling a long way behind because agricultural prices will not be fixed in time, for we are already 50 days late. The European Parliament is by no means responsible for this state of affairs, as it made its proposals known to the Community bodies in good time. As for the Commission, however, its refusal to revise its original proposals means that it is heavily responsible for the failure of the negotiations. It did not play its part properly and it was bogged down in calculations that were wrong from the start. We still think it is possible to get out of the present *impasse* and reach a satisfactory agreement, one that is not a cheap compromise detrimental to the farmers.

President. — Mr Pranchère, you have chosen the wrong moment for raising this matter. You should have done so one hour before the opening of this sitting. The only possibility now left to you is to propose the adoption of urgent procedure.

Mr Pranchère (COM). — (*FR*) Ten of my colleagues in the Communist Group have signed a letter to this effect.

President. — We have not received this letter.

Mr Pranchère (COM). — (*FR*) It was sent off on Friday morning and, if you do not mind my saying so, Mr President, it should have reached you in good time. Bearing in mind that this letter exists, I would ask you to accept my proposal and put it to the vote.

I should also like to tell you very rapidly, Mr President, that we feel it would be a good idea for you, as President of this Assembly, to ask the Council of Ministers to fix the prices in accordance with the resolution we voted on 10 March and, second, in accordance with Rule 56(1) of the Rules of Procedure, for the agenda to be altered so as to include a statement from the Commission and the Council, followed by a debate, regardless of the negotiations of 16 and 17 May — which we hope will have positive results for French farmers.

President. — Thank you, Mr Pranchère, I think the Parliament will come to your aid, as this problem has already been the subject of four requests for urgent procedure. It will doubtless be dealt with on Thursday, and then we shall see what is to be done.

Mr von der Vring (S). — (DE) Mr President, can you arrange for the vote on Mr Wagner's steel report to take place at 6 p.m. on Thursday? Could we not fix the agenda as follows: Thursday, 6 p.m., vote on the Wagner report, to be followed by a vote on other reports on which the debate has been closed?

President. — Theoretically, that is possible. These reports were originally planned for Wednesday, We shall therefore begin with them in Thursday's voting-time, provided the debate on the Wagner and Moreau reports keeps to the time laid down.

As regards Thursday's agenda, the afternoon sitting, in accordance with what has just been decided, will begin at 3 p.m. with the Moreau and Wagner reports, followed by the Dalsass report on ethyl alcohol.

Mr J. Moreau (S). — (FR) Mr President, I do not know whether this is the right moment to do so, but I should like to point out that our committee had asked for an urgent discussion on Mr Nyborg's report on the two draft Council regulations.

President. — Mr Moreau, one thing at a time.

The oral question by Mr De Pasquale and others to the Commission, on the implementation of the Mediterranean programmes (Doc. 1-193/83), which had been included in the debate on the von der Vring report on integrated development operations in Community regional policy, is withdrawn.

The oral question by Mr Carossino and others to the Council and the Commission is included in the debate on the Harris report on the peripheral maritime regions and islands of the European Community.

Mr Bocklet's report on youth exchanges has been withdrawn from Thursday's agenda and included in the agenda for June.

I have received from the group of the European People's Party a request for the withdrawal of Sir Fred Catherwood's report on Community external relations, which, following the Bureau's decisions of 28 April, was put on the agenda as Item 89 in place of the Blumenfeld report, which had been withdrawn.

Sir Fred Catherwood (ED). — I have discussed this report with my friends in the Socialist Group and in my own group. In view of the fact that they do think that it is a very fundamental report and has come at rather short notice, I would recommend that it be postponed. But I would ask at the same time that it should not be taken next month, when there will be an imbalance in those present in the Parliament to vote on it.

President. — I did not know you were for a temporary withdrawal, that is why I did not want to give you the floor. But I accept that. So I suppose it is withdrawn because the rapporteur is asking for it.

However we have to vote on the request for withdrawal.

(Parliament agreed to the request)

Mr Dalsass (PPE). — (DE) Mr President, my report is also on Thursday's agenda. It would have been at the top of the list if two others hadn't been put in front of it. It was scheduled for 3 p.m. Can the vote on my report take place on Thursday evening? I should be very much obliged if it could.

President. — Mr Dalsass, your report has not been pushed out of the way. The Moreau and Wagner reports were on the agenda for Wednesday — that is to say, they came before your report on ethyl alcohol. The group chairmen have proposed that these two reports be deferred until 3 p.m. on Thursday, so that everyone knows exactly when the debate will begin. Your report will then follow.

Mr Dalsass (PPE). — (DE) Mr President, I feel the report is, quite simply, too important for that. This matter has been under discussion for ten years now, and it would be a bad thing to put it to the vote on a Friday morning. Unless you can guarantee that the report will be voted on on Thursday, I will ask for it to be postponed to the June part-session.

President. — I can only recommend you to wait before doing so until Thursday and then to do so as soon as it becomes clear that it will no longer be possible to put the report to the vote at 6 p.m.

Mr Gautier (S). — (DE) Might I make a practical suggestion? I can understand Mr Dalsass's concern: the report has already been debated, and was only dropped from the agenda last time because there wasn't a quorum. Perhaps the political groups could agree to restrict discussion to about 20 minutes instead of repeating the whole debate. Then each group would have about 5 minutes to say how it stands on the revised Dalsass report, which after all, has undergone very few modifications. This would enable us to vote on it on Thursday.

President. — Thank you, Mr Gautier, that is a very sensible suggestion.

*(The President read out the changes proposed to Friday's agenda.)*¹

*Parliament adopted the order of business thus amended)*²

Mr Hord (ED). — Mr President, I wonder whether you could enlighten the House as to why the part-session is now starting at 4.30 p.m. on a Monday. I think this happened last month for a particular reason.

¹ See Minutes.

² For items concerning time-limits for tabling amendments and speaking-time, see Minutes.

Hord

I am rather concerned that this may now be the established time. If so, I would suggest that it does impose a fair degree of inconvenience on those Members who have a long distance to travel, bearing in mind that most groups have a group meeting before the plenary sittings start. I would like, therefore, to propose that, in future, we return to the traditional time of starting on a Monday evening — namely, 5 p.m.

President. — Mr Hord, we were dealing with a number of uncertainties. In the first place we had an enormous number of reports, including the Patterson and Boyes reports which have now been withdrawn from today's agenda. We were living in complete uncertainty as to whether votes would be held over from our extraordinary part-session in Brussels. These were reasons for us to be prudent. So you can regard it as an exceptional measure which proved unnecessary in the end because the reports mentioned were withdrawn.¹

3. Vocational training

President. — The next item is the report by Mrs Nielsen, on behalf of the Committee on Social Affairs and Employment (Doc. 1-1363/81/I), on

- i) the communication from the Commission to the Council on vocational training and new information technologies: New Community initiatives during the period 1983-87 (Doc. 1/419/82-COM(82)296 final); and
- ii) the draft resolution of the Council concerning training policies in the European Community in the 1980s (Doc. 1-902/82-COM(82)637 final).

The debate includes the oral question to the Commission by Mr Vandermeulebroucke, on behalf of the Committee on Youth, Culture, Education, Information and Sport, on new information technologies and vocational training policies in the European Communities (Doc. 1-195/83):

While approving the broad outlines of the communication from the Commission to the Council (COM(82)296 final), on vocational training and new information technologies: New Community initiatives during the period 1983/87, and the draft resolution of the Council on vocational training policies in the European Communities in the 1980s (COM(82)637 final), the Committee on Youth, Culture, Education, Information and Sport wishes to put the following questions:

1. Does the Commission not consider it advisable for a more detailed study to be carried out on the impact of the introduction of new technologies on the employment of young people, in particular as regards the creation and loss of jobs?
2. Does the Commission intend to give priority to requests made under the Regional Fund to assist the establishment of undertakings with a high technology content in Community regions?
3. Does the Commission consider it advisable to investigate the possibilities of setting up a pilot project for closer cooperation between firms and schools to assist with the training of young people by means of traineeships in firms and to facilitate the purchase of equipment by schools?
4. Does the Commission not agree that it should also give consideration to the cultural aspects of the introduction of new technologies, in particular those relating to information?
5. Does the Commission intend to encourage cooperation between the Member States in the computerization of labour market data, so as to facilitate the dissemination of such information throughout the Community?
6. Does the Commission intend to enter in the preliminary draft budget for 1984 the new budgetary items (vocational training activities specifically related to the introduction of new technologies) envisaged in its communication to the Council (COM(82)296 final) and to create budgetary headings, as part of the reform of the Social Fund, for the implementation of Community vocational training programmes for the 1980s?

Mrs Nielsen, (L). rapporteur. — (DA) Mr President, the two documents we are debating today constitute in reality an extension of the debate that took place in the European Parliament a couple of weeks ago during the last part-session in Brussels, where, as you know, the subject was what could be done to fight unemployment and get the large numbers of unemployed back to work. In fact, these two documents from the Commission ought to have been included in that debate as a matter of course; but we have them today, and in my opinion we must welcome them, because they do give a very good answer as to what can be done in Community countries to meet the challenges that confront us.

We are going through a period of a technical boom, not only here but throughout the world; we feel it particularly strongly because we are exposed to great challenges from the USA and Japan. So this is a period where these problems can really be tackled by us.

¹ For the item concerning action taken by the Commission on the opinions of Parliament, see Annex II.

Nielsen

Please excuse me, Mr President, if I start in a somewhat untraditional manner: as a Danish Parliamentarian, I find it a great relief that today, when we are to discuss vocational training and the new technologies in the European Communities, one can be certain that there will at any rate be no Danish Members who are opposed to or lukewarm towards EC policies, who show ill will because the European Parliament is dealing with matters related to training or education. The reason why one cannot object to this — although it has often been done — is quite simply that Article 12 of the Rome Treaty clearly states:

The Council shall, acting on a proposal from the Commission and after consulting the Economic and Social Committee, lay down general principles for implementing a common vocational training policy capable of contributing to the harmonious development both of the national economies and of the common market.

I have quoted this article because I think it puts things in their proper perspective, also because we have heard, unfortunately, too often that the Communities ought to keep their hands away from education. This is being said at a time when one wishes to give absolute priority to combating unemployment. If we want to be honest, then we must also find the necessary means. We simply cannot fight unemployment in the Communities — we can talk about it, but we cannot fight it in practical terms — if we do not wish to use the necessary means. Therefore we cannot avoid discussing the qualification citizens of our Member States need in order to meet those challenges.

The Committee on Social Affairs and Employment has discussed the fact that, naturally, one cannot introduce a dividing line and say: from here, from this class level, from this level of education we must introduce a policy of training, vocational training, whatever has to do with vocational training, and below this level we should not touch these aspects at all. It is gratifying to find the Commission stating very clearly that we must provide qualifications for the long-term unemployed young people, for those already at work — in fact: if we are to enable everybody in our Member States to take up the challenges, then we must start as early as possible. And this is why this has been taken *ad notam* in many of our Member States, where in many places microcomputers have been introduced in the compulsory schooling system, and datamatics has been introduced as a special subject. This obviously aims at giving the pupils a certain knowledge of the new technologies and forms an important basis for those who go on to specialize or to prepare for a particular trade. Thus one can see that we have travelled a little of the way towards these challenges, but there is still a long way to go.

In the Committee on Social Affairs and Employment we are of the opinion that we can do it, if we wish to.

We shall contribute towards removing the gap between what is called technical and general education, respectively. Generally speaking, this contributes towards an integration of the endeavours to secure that young people are prepared for both social and vocational aspects. These aspects were indeed included in the meeting of the Council of Ministers for Education on 24 May 1982. On that occasion it was emphasized that the new information technologies ought to be included in school curricula with a suitable regard to particular educational aims. So it was clearly stated by the ministers for education from the ten Member States that information technologies ought to be included in school curricula. I wish to emphasize this once more.

It is gratifying to find that the Council of Ministers for Education was informed of the Commission's intention to prepare a report on the progress made in the Member States in introducing the new technologies into school curricula, and that here the Commission would build on the work of OECD and the Council of Europe. It is extremely gratifying that the Council of Ministers for Education should have recognized as early as May 1982 that an artificial distinction between general education and vocational training was inexpedient.

During the last few years, when discussing what can be done to create employment, how we can establish qualifications or improve skills, time and again we have come across the problem in the Member States that even when there are qualified people to fill vacancies there is a bottle-neck, that people are out of work in one place while vacancies exist in another. So there are problems with regard to both vocational and geographical mobility.

I believe that we must make one thing clear to ourselves: the rigid job divisions we have had, the view that a bricklayer is a bricklayer and may only do what is clearly laid down for a bricklayer, simply do not work in today's society. We must break down some of these rigid divisions, and we find that this is being done in, for instance, the United States and in Japan. If we lag behind developments in these countries, this is largely due to the fact that they have been much more sensible in this respect: they have broken down these rigid divisions and made it easier for people to get jobs without having to move too far away. They have also seen to it that people were retrained in time.

Something else is also of great importance here. When people are not very interested in moving from one Member State to another, this may well be because the educational systems have not yet done enough to equip people linguistically when they go to other countries. This, by the way, has also very often been discussed by the Ministers for Education. We

Nielsen

must see to it that young people learn the Communities languages and can use them. This is an obvious qualification if one is to cope with the work that is to be done in our Member States.

There have been far too many unemployed over the last few years, but we must bear in mind that there are some very important demographic tendencies: in the coming years the number of young people employed under 19 years will fall, while the number of young people between the ages of 20 and 25 will increase. The problem of youth unemployment is thus much bigger than it will be in 5 years' time, and that is one of the things we must bear in mind: if we want to help unemployed people, then we cannot wait; we must do something for them here and now. In a few years' time it will not be on behalf of the young unemployed that we shall use our resources; it will be for those who are quite a few years older that something will have to be done. Therefore it is necessary to begin now, and I think the lead given by the Commission in these two documents really gives us an opportunity to commence a fruitful debate.

At all events, we must not allow this debate to be sidetracked onto the question whether the new technologies will create employment or unemployment. That debate is over and done with. We know that if we meet the challenges, if we use the qualifications, and qualify people to meet these challenges, then the new technology will create employment. We can do it if we so wish. Let this be a motto for all of us. We can do it if we so wish. Let us now prove it!

(Applause)

Mr Gerokostopoulos (PPE), *draftsman of the opinion of the Committee on Youth, Culture, Education, Information and Sport.* — (GR) Mr President, despite the brevity of her speech, Mrs Nielsen has presented the motion for a resolution and the amendments of the Committee on Social Affairs and Employment, concerning the Commission's communication to the Council on technical and vocational training in the new technologies, with great clarity.

Although the rapporteur has dealt exhaustively with the core of the matter, and has touched on all its aspects, I consider it essential, nevertheless, as draftsman of the opinion of the Committee on Youth, to augment what has been said with the following comments.

Both of the documents under consideration lay special emphasis on the nightmarish problem of unemployment, particularly amongst young people of both sexes, on the need for young people to be suitably prepared for the transition from education to adult working life, and on the great importance which the new technologies have for vocational training and readjustment, for these documents also refer to the retraining of older workers.

I would remind the House that these two documents, firstly, fit into the framework laid down by the Council of Ministers in 1963 when it formulated ten principles for implementing a common policy in the vocational training sector. Secondly, they were dictated by two decisions of the European Council calling on Community institutions and the governments of Member States to take measures to combat unemployment. Thirdly, they correspond in general terms with the demands expressed on this matter by Parliament in various resolutions, particularly during the special part-session in Brussels on the subject of unemployment.

While considering the actions proposed by the Commission to be basically satisfactory, the Committee on Youth draws attention to the following points. Firstly, the proposed establishment on a Community basis of the 'social guarantee' for young people should form an integral part of a fairer and more rational vocational training policy. Secondly, under no circumstances should vocational training and preparation be considered a panacea for solving employment and social problems. Nevertheless, in conjunction with the adjustments made necessary by the electronic revolution, this policy can play a positive role if developed as part of a general strategy for combating unemployment and linked with policies in other sectors. Thirdly, the policy of vocational training and assimilation of new technologies offers opportunities for supporting policies aimed at creating employment, at restructuring and modernizing industry, particularly small and medium-sized companies, and at rejuvenating less-favoured areas. On this point, especially, the Committee on Youth stresses the need to plan the measures proposed by the Commission so as to take adequate account of the less-favoured areas of the Community, about which so much is said.

Despite its positive attitude, the Committee on Youth has reservations about certain gaps in the Commission's proposals. Because, for technical reasons, these could not be included in the opinion, it has tabled the oral question which forms part of today's debate. The author of this question, Mr Vandemeulebroucke, will expand on its content.

In conclusion, Mr President, I express the confidence that the House and the Commission will adopt the resolution of the Committee on Social Affairs and Employment and its amendments to the two proposed texts, and I hope that the Council will take the necessary further steps to bring about the implementation in 1983 of the proposed actions and planned programmes.

(Applause)

Mrs von Alemann (L), *draftsman of the opinion of the Committee of Inquiry into the Situation of Women in Europe*. — (DE) Mr President, I am speaking on behalf of the Committee of Inquiry into Women's Rights only on the draft Council resolution on vocational training policies in the European Communities, not on the other part of Mrs Nielsen's report.

Having deliberated this draft resolution at length, the Committee of Inquiry into Women's Rights then proposed some amendments to it, the most important of which were accepted by the Committee on Social Affairs and Employment, I am pleased to say. I therefore hope that the House will accept this motion for a resolution on vocational training policies today or tomorrow.

I think the hearing on vocational training and careers advice for women that was held in Luxembourg the week before last demonstrated how important this issue is for working women and girls looking for jobs. It is important for all women, because even those who stay at home for several years to bring up their children, will go back to work eventually, or get a job for the first time, and this means they need proper vocational training.

We have come to the conclusion, however, that a great deal remains to be done.

The structure of our cultural and social environment is mainly to blame for the bias against women and girls in vocational training. Girls are still being advised to go in for one of the four or five typically female occupations which are already overpopular, such as hairdressing or secretarial work, instead of training for a better paid job which is still a traditionally male preserve. This is partly a matter of family tradition and partly a financial question, of course. From the point of view of future employment prospects, it is preferable to aim at a better paid job from the start. We are therefore very pleased that the Committee on Social Affairs and Employment has accepted our amendment adding another specific reference to women as a group in the draft resolution.

We have noticed, however, that opportunities offered by Member States have received a very poor response in some cases, and I therefore call on the Member States again to launch practical information campaigns to persuade girls that there are other jobs worth doing than just nursery-school teaching and secretarial work.

We have also found that careers counselling for girls leaves much to be desired. Both vocational guidance at school and retraining guidance for women who are made redundant or who cannot make use of their initial training are badly in need of improvement.

This point was made in the education plan drawn up by the Education Ministers' Conference, but I do not know how far it has been incorporated into actual policy. When I asked the Commission about it, I was told that a report was being printed. Mr Commissioner, I didn't want to know how many pages you had sent to the printers, I wanted to know exactly what action you had taken; that seems more important in the circumstances. I am sure the young people of today realize that it is up to them to train for a job with long-term prospects, but they are constantly being rebuffed, discovering that there are not enough training opportunities and that no one is interested in their questions and needs. That makes it important for us in the European Parliament to take up the matter and for women in particular to know that they must be self-reliant and need the assistance of the State and the community. We must point the way. Women in the European Community are aware that the European Parliament has already achieved much on their behalf. I think we shall be taking another step in this direction if we can make it clear to the House that vocational training for girls and women is a major factor in reducing unemployment and requires our vigorous support.

(Applause)

President. — Before I give the floor to Mrs Duport, a word about the vote. It now appears that not all amendments can be distributed in all the languages before the vote begins. I therefore propose to take the vote on this report at the same time as that on the Ghergo report. By that time, all the amendments will be available.

(Parliament agreed to this proposal)

Mrs Duport (S). — (FR) Mr President, ladies and gentlemen, Mrs Nielsen told us there was no point in going on thinking about the impact of new technology on employment and that we should have more confidence. This is an expression of optimism that I am quite willing to share — but after one or two explanations.

It is becoming obvious to us — at least I hope it is — that the attitude of the 10 countries of the EEC to new technology will be decisive in the construction of the society of the 21st century — not just from the point of view of the time the men of that era spend at work, but from the point of view of culture, which is inseparable from work, too.

The building of this society also involves training for everyone — not just for women, young people and the unemployed, even though they have priority for monies from the Social Fund and for vocational training, for example.

Duport

The dual society we have been talking about for the past 15 years is already with us. On the one hand we have those with the financial power, the scientific and technical know-how and the political power. They are the ones who take the decisions. On the other hand, we have the vast majority. They could perhaps have used these new tools, but they are workers who do not have the means of mastering, designing or improving them and so creating new products and services with them unless they have the sort of global, continuous training that prepares them for these new technologies. Otherwise, we shall see the employment situation deteriorate — not just the secondary sector, but the tertiary sector too, as when you push up productivity, employment decreases unless measures are taken to modify production and working conditions.

The development of information technology will be the best or the worst of all worlds according to whether it is controlled or not by the producers and by the consumers as well — by all our citizens, that is to say.

It would be the worst of all worlds if it led to mind-conditioning and a cultural deprivation out of all proportion to what we might have had with printing if everyone had not had the opportunity to learn to read and write. Moreover, the current speeding up of the process may well exacerbate the consequences.

One can, however, imagine the wealth and the extraordinary openings that will be offered to the men of the 21st century if, instead of using them for profit alone, our countries make a concerted drive to make these tools available to as many people as possible through appropriate training. So we can contemplate the introduction of these new technologies with serenity, as they can help us bring about an extraordinary improvement in the living and working conditions of mankind.

If the OECD countries have a monopoly on scientific and technical knowledge, it is the American multinationals which finance 80 % of industrial research and development. Of this research, 94 % is carried out in the USA and Japan and the other 6 % is divided between four countries — France, the Federal Republic, the United Kingdom and Canada.

So we have a considerable delay to make up and we cannot allow ourselves to slip back, as our independence and the autonomy of our cultures are involved.

So let us not put our heads in the sand. By facing the facts and taking the right steps — by taking action on vocational training, that is to say — each country and the 10 countries all together can take up this challenge. Perhaps this will force Europe to democratize the economies of its Member States.

Proposals on the training of teachers, links between schools and firms, exchanges of ideas and information between the Member States, constant evaluation and

the creation of data banks for this purpose, better use of Cedefop and integrated projects all have our support, but they will be so many drops in the ocean if the idea is only to provide higher qualified and more mobile workers and not to combine this with something we feel to be essential — namely, a reorganization of employment and more democracy in the firm so as to foster the initiative of the workers, as — and I repeat — culture and work are inseparable one from another. What is at stake in this vocational training issue is our life rather than our survival.

Mr Chanterie (PPE). — *(NL)* Mr President, right from the very beginning the European Community has recognized that vocational training would have to be one of the main policies it created. That is shown clearly in Article 128 of the Treaty and the Council's first draft plan for vocational training in 1963. Twenty years later, we now face a totally different situation and totally different challenges. Mrs Duport rightly describes it as a 'question of survival'. For young people, for the workers, a policy on training, re-training and further training has indeed become a question of survival today.

Training policy must be regarded as an integral part of a general strategy to combat unemployment in connection with other policy initiatives. A training policy must play a vital role in improving future prospects for the individual and for society as a whole. Particularly for young people, vocational training basically determines their role and their place in society. We know that young people with little training have become the most vulnerable sector in our society. Nearly half the young unemployed have no training beyond basic schooling. I refer too to the particularly vulnerable situation of migrant workers' children. The EPP Group fully supports the European Council proposal, prepared by the Commission, to set up a 'social guarantee', which will assure 16-18 year-old school-leavers further vocational training or a first job or a combination of both. May we remind you here of the proposal from the special part-session to introduce a European training pass to encourage the mobility of young people during vocational training.

Mr President, present vocational training in the Member States must be reviewed, because it has got into a rut in some areas. We are facing new challenges, new technologies, and we must equip ourselves and the younger generation for the future. It is very important that especial attention be paid here to regional aspects. My area has an annual need of 200 skilled workers for the textile sector, and they just are not available. New initiatives must be taken in vocational training, particularly in bridging the gap between school and industry and the world of work. All this is closely linked to the reform of the Social Fund. I do not wish to pre-empt the discussions on this, but I do wish to point to the very modest means available for these purposes.

Chanterie

Mr President, vocational training is an essential part of the European social policy. That is why we should give the Commission's proposals our full support. The EPP Group will also give its full support to Mrs Nielsens' report.

Mr Prag (ED). — Mr President, having spoken on this subject at our last part-session in Brussels, I have to be very careful not to say exactly the same thing today. I can see that my group agrees with me on that.

We are presented with two draft sets of proposals from the Commission, and I can think of nothing more important. A lot of people are bored by training. People hate learning and prefer telling other people what to do, but the fact remains that there is no more important subject before us. I am glad to see the Commission taking note of the resolutions adopted by this Parliament and doing exactly what we have been asking it to do, as well as doing what its own Vocational Training Centre in Berlin has been saying it should do.

The first proposal is to bring job training into the microelectronic age. A great deal has been done in various parts of the Community in this respect, not least in my own country, where we are often very critical of what we are doing about training. It is a fact, however, that in microelectronics in schools we are probably leading the Community. There are very few secondary schools in the United Kingdom without a computer, and now at last we are beginning in our school-leaver training programmes to make sure that every school-leaver has a basic knowledge of the operation of computers. For this purpose we are using such things as information technology centres. In my own constituency we have something called 'open terminals' to train all managers and executives in microtechnology techniques. It is quite certain that in future very few people will be able to get a job without a basic knowledge of the new information techniques.

Even more important, the second Commission proposal brings us right up against the fundamental problem of Western Europe, the lag behind the United States and Japan which has just been referred to by Mr Chanterie. To take one example, look at the use of robots. Now robots are not the answer to every industrialist's prayer, but they are an indicator of how we have advanced in relation to the United States and Japan. There are in Japan between 12 000 and 14 000 robots. By a robot I mean a programmable machine tool which is able to operate independently once it has been programmed and whose programme can be varied. There are between 12 000 and 14 000 of these in Japan, about half that number, 6 500, in the United States, and about 6 700 in the whole of the European Community. There again the Japanese are very far ahead of us; the United States are not doing too well, and we are not doing too well either.

In the whole field of information technology — and the Commission's documents show this quite clearly — whether it be main frame computers or micro-computers or software, the United States and Japan are ahead of us in nearly all areas. So while the newly-industrialized nations are taking over the markets for many of our less advanced products, we are not keeping pace with the United States and Japan in the advanced technologies. And yet, as I said last month, our future lies in our skills in adopting the newest and most efficient methods and, above all, knowing how to operate them. That is the virtue of the Commission's second proposal for a comprehensive Community job-training policy, which we should have had a long long time ago if the Member States had been more willing to accept a reasonable solution.

I believe that that programme strikes just the right balance between the role of the Member States and the role of the Community through its stress on action by the Member States in the field of small businesses and the services sector and, above all, action for young people and the retraining of redundant skilled workers. These things essentially will be done by the Member States, but the Community will have a part to play by enabling the Member States to learn from each other through their experience, through the innovations that each of them is carrying out and through the network demonstration projects proposed by the Commission.

All the right principles are there, the principles that we have had from the Vocational Training Centre, the principles which we know the Member States have been considering and are beginning to do something about — the wide range of practical skills needed, the flexibility needed, the modular system and, above all, the right for all young people to receive training and retraining. The Commission invites the Member States to ensure that they all offer a minimum of two years' training to young people — one year on leaving school and one year subsequently before the age of 25. I am glad again to stress the revolutionary initiative which we have taken in my own country to come up to the best Community practice by providing a basic vocational training year for all school-leavers.

I welcome, in particular, the suggested common guidelines to be provided by the Commission — improvements, experiments and then informing the Member States of the best practice.

One final word, Mr President, about the amendments. There is a great deal of stress, and rightly so, on young people and on women. There is stress on the need to give women a special place in the training programmes, but we should not exaggerate. There is a phrase in one of our amendments which to my mind makes no sense at all, where the Committee on Social Affairs and Employment says that women are the

Prag

people most affected by unemployment. That is manifestly untrue. The people worst affected are men and women between 45 and 55 who, with enormous family responsibilities, lose their jobs. I do hope that, whilst giving a proper role to the training of women, we shall not pass that amendment, which seems to indicate that women are the only group that really matter.

Otherwise I think the Social Affairs Committee has done a reasonable job, and I believe that the Commission's proposals should be approved overwhelmingly by this Parliament. They really are something that the Community should have done long ago and something without which Europe will not be able to hold up its head in the face of competition in the new technologies from the United States and Japan.

(Applause from the European Democratic Group)

IN THE CHAIR : MR PFLIMLIN

Vice-President

Mr Fernandez (COM). — *(FR)* Mr President, the austerity policies by which the majority of Western and European governments are swamped are having startling effects on employment and on vocational training budgets as well. The inability to provide enough resources to prepare our young people for the professions of the future is by no means the smallest sign of the crisis in capitalist management. So the most vital and most productive resources of the future — the workers and young people — are being mortgaged.

The French Communists and allies cannot, in these conditions, do other than support any proposal to upgrade vocational training as an essential part of a social policy. The two documents presented by the Commission contain a number of positive proposals which we can support.

We shall ask the Heads of State and Government meeting in Stuttgart shortly to take up the proposal for full-time social and professional training for young people who have completed their compulsory schooling and the right to a second period of full- or part-time vocational training before the age of 25.

This leads us, however, to express our profound disagreement with the motion for a resolution in Mrs Nielsen's report at a time when anyone can see the fantastic waste this society is indulging in. This resolution, which falls far behind the Commission's modest proposals, is an unacceptable affront to our young people, our workers and their legitimate rights.

Mr President, we shall be voting against the motion for a resolution.

Mrs von Alemann (L). — *(DE)* Mr President, I have no desire to become a marathon speaker, but I said earlier on that I was speaking on behalf of the Committee of Inquiry into the Situation of Women, and I now have the pleasure and privilege of speaking on behalf of my political group about both subjects, i.e., vocational training and new information technologies as well as vocational training in general, which I have just talked about with special reference to women.

The matter is really too serious to be debated in such a poorly attended House. Looking at the young people in the visitors' gallery, I can only apologize for the paucity of our numbers. The parliamentary week is rather a long one, and as we meet from Monday to Friday many Members do not arrive until fairly late on a Monday. It should not be thought that the European Parliament is not interested in this question. We have discussed it time and again, and realized at our special part-session on employment policies for the 1980s that we are gradually achieving a broader consensus. I was very impressed by Mrs Nielsen's speech, partly because she was speaking as a Dane for, it is important to know that the Member States are in full agreement that this vocational training policy should be given priority and that there are Member States which do not place everything connected with educational policies into different categories. On behalf of my political group, I would like to reiterate that these vocational training policies and new information technologies deserve much more serious treatment than they often get.

The fact is that careers guidance and vocational training are still stuck in traditional moulds and young people are being trained for jobs which will obviously disappear in a few years' time. Of course it can be said that any sort of vocational training is better than none at all, but surely it should be possible to give young people a forward-looking training instead of a backward-looking one. It must be possible to arouse in them feelings of excitement and enthusiasm about learning about new technologies. It must be possible to show them that new technologies not only involve risks, which no one disputes, but that they also represent a tremendous opportunity for our continent. We were told by a previous speaker that the United States and Japan had reacted much faster over this matter, and I would like to re-emphasize that if we Europeans want to remain competitive and retain our position as a commercial power we must devote far more attention to vocational training than we have done in the past.

It is our problem to decide how our young people should be trained, and it is our problem to ensure that every young person gets a training. I therefore hope that the Nielsen report will be accepted by a large majority.

von Alemann

I would like to make a final remark on the report on new information technologies with respect to women. When you say, for instance, that young people should receive their first year of vocational training between the ages of 16 and 18 and their second year before the age of 25, I would like to remind the rapporteur that this is very awkward for women, since they generally tend to get married and start families during this period of their lives. It would have been better to have made 35 the ceiling for the second vocational training year instead of 25. But I don't want to introduce any new slants into the Nielsen report. We appreciate the work done by our colleague and rapporteur and hope that a large majority will vote in favour of the report.

Miss De Valera (DEP). — Mr President, ladies and gentlemen, on behalf of the European Progressive Democrats, I wish to thank Mrs Nielsen for her well-researched and documented report. Following the recent debate in the European Parliament on Mrs Salisch's report on the problem of unemployment among young people, Mrs Nielsen's report on the draft Council resolution on vocational training policies in the European Communities in the 1980s is a welcome and necessary step forward. A number of the EPD amendments have now been incorporated into the Salisch report which reflect our recognition of the need for adequate training opportunities.

We should like to re-emphasize the need to ensure that comprehensive vocational preparation and guidance courses are made available in all schools at all levels. Unemployment among early school-leavers without any qualifications is particularly high. The problem of youth unemployment is not, however, related solely to school-leavers between the ages of 16 and 18, who, according to the Commission, represent less than a fifth of the total of unemployed young people. The problem relates dramatically to more than 4.5 million young people — over 40 % of the total registered unemployed under 25.

Three priority areas are considered: (1) social and vocational preparation for young people; (2) ensuring a greater equality of opportunity for training, and (3) harmonizing training measures in support of local development.

The principal feature of the draft resolution is what has become known as the 'social guarantee'. This is to ensure that all young people may benefit from a training programme. We have stated in the past, and will repeat, that we need training that is appropriate to the productive work opportunities of today and the future. Training for young people must be related to jobs which are productive and lasting. It must lead to meaningful employment and not just provide an excuse to get young people off the unemployed register. Such training must improve skills and qualifications and give young people the prospect of gainful employment.

Training related to new technologies is vital. Nor can we forget the connection between training and the requirements of small and medium-sized enterprises, cooperatives, the services and crafts sectors. It is to be regretted that any Member State should feel unable to meet these praiseworthy, indeed vitally necessary, objectives in an era of high unemployment and fewer job opportunities for our young people.

Ireland, of all the Member States, should be in the forefront of the movement towards adequate vocational training for school-leavers, in view of our large and growing young population. The level of unemployment in Ireland among the under-25s rose rapidly between 1981 and 1982. At 37.5 % this represents the second largest increase in the Community. Germany had an increase of 47 %, Ireland is uniquely placed to benefit from increased Community activity in this field, given our vocational education system and AnCo training system. The system in Ireland can be adapted more readily and more cost-effectively than any other system to meet any demands which will arise for the exchequer. Given the resources available through the youth levy there should not be any reluctance on the part of the Irish Government to implement the social guarantee.

We would like to ask the Commission, finally, to indicate the level of priority which will be accorded to the vocational training proposals in relation to the Social Fund. Will the areas presently considered as disadvantaged, which include Ireland North and South, still have an absolute priority in the distribution of funds from the European Social Fund for vocational training, or is it the Commission's intention to distribute funds on the basis of new weighted criteria which would lower the level of priority for Ireland? This for us is an essential question, and we await the Commission's reply.

Finally, I would like, on behalf of my group, to thank Mrs Nielsen for her hard work on this extremely important resolution. We have great pleasure in voting for it this evening.

(Applause from the right)

Mr Vandemeulebroucke (CDI). — *(NL)* Mr President, ladies and gentlemen, I have no intention of regarding Mrs Nielsen's report as a kind of repetition of all that was said in Brussels. In Brussels, all groups indeed called for greater attention to the new technologies, but I prefer to regard Mrs Nielsen's report as a very specific and practical way of following up that major debate on employment. I congratulate Mrs Nielsen on her report, and I completely agree with her that on the training side we must introduce the subject technology into school curricula, not only for students of technical or vocational schools but for all students, including those going through general schooling; more programmes of retraining or additional training should also be created, of course.

Vandemeulebroucke

Mr President, I really intended in the short time allotted to me to introduce the oral question on behalf of the Committee on Youth and Culture, because we would like to put a number of questions on the initiatives planned by the European Community. First and foremost: has there been sufficient study of the effects of introducing new technologies on youth unemployment? Has there been sufficient scientific research? We have our doubts. There is also the category of unskilled youngsters, which runs the risk of being left on the sidelines for ever. Mrs Nielsen did say that the more training the unskilled get, the less likely they are to be relegated to the fringes, but she must also admit that this category will always be with us. Mrs von Alemann quite rightly drew attention to the problems of women workers, who have a long way to go before enjoying equal opportunities at work. Will they not be palmed off again with purely executive work? We would very much like to see more scientific research on this subject.

Our second question relates to model projects which could be tried out in closer cooperation between school and industry. All too often, school subjects are taught in isolation, and this rapidly developing technological revolution threatens to widen the gap. In these days of economic crisis, the education budget is also being cut. But technological apparatus is very expensive and ages quickly. Would it not be wise to organize technical training in closer cooperation with industry, both with the economically profitable sector and the services sector?

Mr Chanterier spoke about work experience. Apprenticeships can offer young people a wonderful chance of familiarizing themselves with new technological apparatus, and the particular advantage of them is that young people can familiarize themselves with the work process. We must, of course, safeguard against the risk of their developing into a cheap way of recruiting labour.

A final point is whether sufficient finance is going to be made available for the Social Fund and the Fund for Regional Development. Frequent reference has been made to the deprived areas and the fact that the Social Fund has remarkably little means.

Finally, we wish to ask whether the Commission does not consider that the cultural aspects of the introduction of new technologies, particularly data-processing, should be taken into consideration. I should like, on behalf of the Committee on Youth and Culture, to receive specific answers from the Commissioner.

Mr Pasmazoglou (NI). — *(GR)* Mr President, I too want to stress the importance of Mrs Nielsen's report and to express the hope that Parliament will vote in favour of it by a large majority. I have three observations to make.

The first is that, despite the very great importance of the advanced technologies, particularly of electronics,

the issue of vocational training in the widest possible sense does not have to do solely with advanced technology. It has to do with raising the level of technical ability of our peoples, especially of the workers, in all fields. I want to emphasize this, as it is linked to the other points I wish to make.

My second observation concerns the motion tabled by Mr Bonaccini in his report (Doc. 1-902/83), in which he stresses the need not only for state vocational-training programmes but also for linking these programmes with the private sector. I find most of what Mr Bonaccini says to be very important and worthy of attention. Here I want to underline the need for these programmes to be linked, particularly in a country such as Greece and in the other Mediterranean countries, with the financing, out of the Social Fund, of vocational-training programmes for young people working in small and medium-sized undertakings.

My third observation, Mr President, is that we must give very great weight to the vocational training of farmers — of young farmers, I would say — and this is of very great importance for Greece. I believe that the vocational training of young farmers, either in the cooperatives or through special state programmes, will raise the level of skill, improve the quality and grading of produce, and at the same time acquaint our farmers with matters related to the marketing of agricultural produce and with the business skills which are essential in a modern farming world such as we want that of the European Community to be.

Those are my observations, Mr President. I shall, of course, vote for Mrs Nielsen's report with very lively interest and with a sense of its importance.

Mr Fich (S). — *(DA)* Mr President, on behalf of the Danish Social Democrats I would like to say that the Commission's draft resolution and communication concerning vocational training in the 1980s is an important step towards reality. However, we could have wished it had gone one step further and had paid greater heed to the opinion of the committee that had been asked for an opinion. There are one or two points in the Commission's proposal that we cannot accept, and therefore we have tabled a number of amendments. There is, for instance the question of general education. We are of the opinion that the EC can be used to supply information and comparison, but that it would be inexpedient and a waste of resources to try and create a general educational policy. We are also of the opinion that training activities at a local level do not make sense in so far as we wish the training to be valid at a national level. Finally, we dismiss the point that voluntary organizations be included in the question of training. We do hope that we can get support for these amendments.

Fich

As rapporteur, Mrs Nielsen uttered some controversial remarks regarding other Danish Members. Concerning this I would like to inform Mrs von Alemann that Mrs Nielsen has no grounds for these remarks, with regard either to the Danish people or to the Danish parliament: they can only be accredited to her alone, and therefore one should have no great illusions as to the usefulness of these remarks.

Let me finally state that there is a difference between general education and vocational training, and certain aspects of vocational training are included in the Treaty of Rome. There is, however, more than one way of doing things, and if one harmonizes vocational training this will be tantamount to interfering with Danish labour market relations, which are normally agreed upon by those concerned in the labour market themselves: I refer to the substance of the training. We will not accept such an interference.

Mr Estgen (PPE). — *(FR)* Mr President, there is no one who still doubts that economic recovery means an all-embracing Community strategy with technological innovation and information technology occupying a prominent place in industrial investment. It seems to me every bit as obvious that our educational and vocational training systems have to adapt too. That is to say, they have to exploit these new technologies and also prepare our young people to work with them.

The programme before us deals with the period from 1983 to 1987. This is a crucial period for Europe, because 1987 seems to me to be the latest possible time for assuming the offensive with an industrial policy that shall ensure that our Member States are once more in the forefront of world competition. In order to do this, we obviously have to run a common technological development strategy in Europe with the aid of appropriate investments. But we also have to prepare the necessary labour force, and so we have to introduce a vocational training, both elementary and advanced, that is capable of coping with these new economic demands and not simply a servant of ideological principles which do not stand the test of reality. He who seeks professional mobility must first cultivate intellectual mobility — and that certainly cannot be obtained through a multi-purpose training which ends up by having no character at all. So we need vocational training at different levels, otherwise we may well reach the point where, under the banner of equal opportunity, our education is of no use to anyone. If we try and get everyone to follow the same programme, then we shall inevitably be levelling down. It is all very well to say we are going to bring in a programme that will provide over the next five years vocational training for all young people moving onto the labour market for the first time. This training has to be of different levels and include a wide range of practical courses. Here again there is every justification for the sandwich-course approach. If young

people of 14-24 make up 16.3 % of the population of the Community, 17.2 % of the potential work-force and 42 % of the unemployed, then we absolutely have to have more flexible systems of vocational training.

We also have to reactivate the Advisory Committee on Vocational Training with this in mind, as the present economic crisis does not just result in unemployment and job problems for young people. It also has its effect on vocational training and education in general. Not only do young people find it increasingly difficult to obtain stable jobs; they are less and less likely to get proper vocational training that will provide for their future.

I should obviously like to congratulate Mrs Nielsen for her systematic and constructive work. Not only has she seen the problems clearly, she has also produced worthwhile proposals. Nevertheless, please allow me to say we should guard against salving our consciences with documents that rarely get beyond the stage of good intentions. As has often happened in the past, there is a risk of failure because our financial means are inadequate to cover the immense needs, because of the non-binding nature of proportional measures and the way they are watered down in the application of specific national provisions.

Our young people are entitled to expect us to take bolder decisions that are more in line with our aspirations. What we need are achievements, practical plans with precise details of implementation and indications as to application. It is easy to say, obviously, that this is not our problem, which may well be true. But we are the only tiger in Europe's motor at the moment! If we do not get things moving, then no one will. I think Mrs Nielsen's report contains a lot of ideas which could be capitalized on in studies run by experts under Cedefop guidance. In this way, Cedefop could get experienced teachers and engineers and technicians with a reputation in the field of new technology to produce training programmes for the Commission to have televised in all the Member States. Cedefop could also organize a study of the possibility of the SMU centralizing their use of new technology.

I should like to end by appealing to the trade unions to help us generate a constructive and realistic attitude to new technology amongst our young people, instead of sowing fear and resistance through ignorance. For this technological development cannot and should not be held back. On the contrary, it should be encouraged with a view to putting an end to unemployment and social tension.

Mrs Squarcialupi (COM). — *(IT)* Mr President, we support the Nielsen report and the proposals put forward to the Council by the Commission, even though we recognize that they have their limitations. For example, they contain no provision for structures that take proper and adequate account of forecasts for

Squarcialupi

the labour market. We have often proposed the setting up of a Community 'observation centre' to keep a constant watch on the labour market so as to know, and study in advance — albeit with certain margins of error, which are only to be expected — what the market potential is. We have done this because vocational training must be based on the true needs of the market: it takes years and years to train young people for trades and professions that still offer openings for jobs today, only to find, perhaps, that when this training is completed, some trades and job opportunities have been superseded. We must therefore have the proper means to study the various possibilities, and to look well ahead where vocational training is concerned; otherwise, we shall only be raising a hope, whereas the young need certainty, and need it today more than ever before.

As far as new technology is concerned, we would ask for constant contact with both sides of industry; and for the trade unions to be kept in the picture where vocational training is concerned, otherwise circumstances will lead to uncontrolled developments in the economy and society, instead of which, for the proper development of our countries there must be general agreement, so as to progress towards a true improvement in the living and working conditions of the peoples of Europe.

Mr Bonde (CDI). — *(DA)* Mrs Tove Nielsen tells us that she has come across an article in the Treaty of Rome entitling one to deal with vocational training in the EC. I would like to ask Mrs Nielsen if this means that she will not get involved with those educational fields which are not covered by the Treaty of Rome. I will also ask whether Mrs Nielsen has the agreement of the Danish people in this campaign of hers. As Mrs Nielsen has naturally done her job as rapporteur very thoroughly, I would like to ask the rapporteur if she is supported in her views by those who are affected by the EC's initiatives in the labour market and in the training sector. For instance, what do teachers' councils at technical schools have to say? What do teachers' unions have to say? What do local unions and apprentices' organizations under the general vocational system have to say? What does the congress of apprentices and young workers have to say? What do the Danish TUC and the Danish employers' organization have to say? I would like to know what all affected parties have to say and what information they might have imparted to the rapporteur, so that we can vote in accordance with the wishes of the Danish people. I therefore ask Mrs Tove Nielsen to give us this information now, before we vote.

Mr Richard, Member of the Commission. — Mr President, may I say right at the outset that I have no intention whatsoever of intervening in the somewhat domestic argument that seems to be taking place

between Danish Members on that side of the House and Danish Members on this side of the House. It seems to be essentially a matter which, if at all possible, the Commission should not get involved in. Secondly, may I say that this debate has been a useful one. We are grateful in the Commission that Parliament has raised these issues and grateful indeed for what they have said.

Parliament is today focusing on four important documents. Two of them were prepared by the Commission: a communication and a draft resolution on vocational-training strategies for the 1980s and another communication and draft resolution on vocational training in the new information technologies. Two come from Parliament itself: the report prepared by Mrs Nielsen and the oral question from Mr Vandemeulebroucke.

I don't think I need, Mr President, nor indeed do I wish to describe in detail what the Commission has proposed. It is quite clear that Parliament has given our proposals serious and, I think, prolonged attention. Nor do I intend to comment in great detail on Mrs Nielsen's report, nor indeed in great detail on the oral question by Mr Vandemeulebroucke. Both of those, I think, approach our proposals in a spirit of informed and constructive criticism and both support the main lines of our thinking. The Commission is grateful for that support.

Instead, what I would like to do today is to comment on some of the main issues which Parliament has raised in its work on our proposals. The Community first articulated its general thinking on a common vocational training policy as far back as 1963. Although those principles remain valid, the world, Mr President, has changed a great deal since then. Education and training policies have evolved both within Member States and at Community level. Occupational and industrial change has continued. Indeed, with the dissemination of new technologies, the pace and the scale of change has increased. In addition, the Community has come to be faced with sustained high unemployment, particularly amongst the young. We therefore felt it right to take stock of what had been achieved in the Community over the past 20 years, to reflect a little on our common problems and also on the positive opportunities that there are now to try and map out the main directions in which we should all try to move during the rest of the decade.

Our two draft resolutions are wide-ranging in their scope. First, we are arguing for guaranteed training for all young people. The proposal, I think, is known to the House. Secondly, we are suggesting special efforts to assist those in the Community who are not well served by current education and training arrangements or who have special needs, such as girls and women, or adults denied access to training and employment because they lack basic skills, for example, literacy.

Richard

Thirdly, we put forward proposals designed to anchor training firmly within the framework of the social and economic needs of local communities. Fourthly, we suggest strategies to assist the Community's citizens and industries to adapt to and indeed to exploit technological change. Our aim here is not only to help the Community to compete in the new knowledge-based industries but also to assist those who would otherwise be the victims of the restructuring which must inevitably accompany the adoption of the new technologies. I think that our proposals here form part of the developing Community strategy on new information technologies in all their aspects, a strategy which is designed, quite simply, to try and ensure that the Community is a beneficiary and not a victim of technological change.

I hope that the Council of Ministers will be able to adopt two related resolutions on vocational training strategies early next month. When that has been achieved, our task will be to work with the Member States, the social partners, the educational and training services and other interests in securing the objectives which have been agreed. This will in turn involve a phase — a very exciting period — of experimentation, discussion and the development of new policies.

May I now perhaps comment on some of the specific items raised by Parliament in discussing our proposals. On the point raised by Miss De Valera on the European Social Fund, I am sure she knows what our proposals are in relation to the Fund. There is a debate in Parliament this week on the orientations in relation to the Social Fund. It would, I think, be more appropriate if we discussed the Social Fund in a global context rather than in relation to one specific aspect of its work.

May I first of all say one or two words about the oral question by Mr Vandemeulebroucke. Clearly there is a need to examine further the impact of new technologies on youth employment. This point is already under consideration through studies shortly to be launched in 1983 in relation to setting up the network of demonstration projects referred to in the Commission's communication. It should be further noted that the Commission's communication to the Council on youth unemployment suggests a series of related initiatives.

The Commission gives a priority to applications to the Regional Fund concerning projects dealing with investments in the industrial sector as well as the service sectors, given the low proportion of such projects *vis-à-vis* projects regarding infrastructures. The network of demonstration projects referred to earlier as well as the second programme of pilot projects on the transition of young people from school to active life emphasize the importance of better link training and work experience. Thus, close cooperation in the field between enterprises and educational and training institutions represents a promising approach for examination and experiment.

Awareness of the potential of the new information technologies, in terms both of their possibilities and of their dangers, is indeed a key component of a strategy aimed at developing a social and a cultural mastery of these technologies. The Commission recognizes the importance of this issue. We are considering developing some initiatives in this area in relation to the network of demonstration projects I have already referred to.

In addition to the Cedoc network, attention should also be drawn to a new initiative: this is *Informicep*, a regular newsletter produced with national correspondents within the framework of projects financed by the Commission to establish a mutual information system on employment policies. As indicated in the Commission's communication I have already referred to, the demonstration projects will be implemented within the framework of the Social Fund. I would emphasize, however, in relation to the 1984 budgetary year and to the revision of the Fund, that the Commission's intention is to revise the Fund in such a way as to distinguish between three main areas of intervention, the final one of which corresponds to projects relating to Community action programmes such as the one on vocational training and on new information technologies. Within this framework, the Commission's intention is to seek additional support staff which we think are necessary for implementing the network of projects referred to. It should further be added that in 1983 the budgetary authority agreed to the creation of a new line with a budget allocation of 226 000 units of account for the coordination of all the activities relating to this Community action programme.

To those Parliamentarians who have raised specific points which I cannot answer for lack of time here today, I would offer the assurance that the Commission will wish — indeed the Commission needs — in relation to this topic to continue to work closely with Parliament as well as with the national authorities in developing and implementing our agreed strategies.

Among the questions which demand an answer sooner rather than later, there are four which, if I may, I will put before the House today. Firstly, are the Commission's proposals primarily social or are they primarily economic in their inspiration? It is an issue which has been raised from time to time and which I do think it is time we dealt with. Secondly, why do we emphasize so much the needs of young people as distinct from other groups in relation to the labour market? Thirdly, an argument one hears from time to time, why do we expand training for young people when they may have no jobs to go to, and why not simply extend the period of compulsory schooling? Finally, what can we offer those people who are facing specific difficulties in the labour market, such as women, the disabled or migrant workers? I would like, Mr President, to deal with these points in turn.

Richard

First, then, the question as to whether our plans are social or economic in intent. Though our proposals have been put forward within the framework of Community social policy, I am quite convinced that they are equally essential in economic terms. The Community's future lies primarily in knowledge-based industries. We are rich in our people and we are rich in our scientific, educational and cultural heritage, we are poor in our raw materials. We must therefore maximize the wealth of human capital within this Community and so increase our share of the world market.

In the short term, too, there is an overwhelming case for expanding and improving training provisions. At a time of low labour demand and of excess industrial capacity the cost of doing so may not be very great, and if such a policy prevents shortages of skilled workers which inhibit our future economic recovery, then the short-term gains will also be very considerable.

I am asked from time to time why we emphasize the needs of young people so much. I think there are three basic reasons. First, young people have been disproportionately hit by the recession and, as we know, over 40 % of the Community's jobless are now under 25. The Community and the Member States cannot abandon the young unemployed to idleness. We must find ways of putting their time, energy and imagination to constructive use.

Secondly, young people have many more options open to them than older people. Once people acquire family responsibilities and settled jobs they have much less room to manoeuvre, and thus it makes sense to concentrate resources on young people while they are making key decisions about their future.

Finally, we should remember that young people leaving school now will be in the workforce for the next fifty years. Youth training, especially in a technological society, is an investment for the future even when it does not seem to lead to short-term benefits.

A number of questions arise from this attitude — if I may call it thus. Does it really make sense to expand youth training when there are so few jobs for young people to go to? Might it not be better to prolong the period of compulsory schooling? Can I say first that in my mind the arguments for or against the social guarantee do not turn on the level of youth unemployment. Even if youth unemployment were very low, I would still be arguing for giving all our young citizens a comprehensive and systematic preparation for adult and working life.

It follows that I do not think that youth training programmes are valueless unless they can lead directly to a job. In present circumstances, many young people will experience unemployment even after a high-quality training programme. We have to be honest with our young people so that we do not encourage expectations which the current depressed labour

market cannot fulfil. We must create and maintain the highest possible quality in youth provision so that even if young people cannot move immediately into jobs, they will have gained some valuable skills and knowledge, they will have undertaken some work experience, ideally they will have attained some recognized qualification and certainly they will have developed a much clearer and a more realistic perception of their own needs and capacities.

I do not myself think, Mr President, that the extension of compulsory schooling offers us a way out of these difficulties. There may be specific circumstances where it may be the right thing to do, but in relation to the problems we are discussing today, I do not think it is a feasible alternative. Any teacher will tell you that although you can compel young people to sit in the classroom, you cannot actually compel them to learn. Learning is only possible where people actually want to learn. Many of the Community's young people choose to leave school and enter the labour market. I think we should respect their freedom. They seek adult status, adult independence and adult responsibility. The best way to equip them with the skilled knowledge and experience they will need in adult life is to offer them programmes of education, training and work experience, designed as far as possible to match their needs and capacities. The process of transition from school to working life has to begin in the schools, but it has to end in the work place. That is the essential theme of the two programmes on transition from school to working life sponsored by the Community. The first ended last year. The second, which, we think, builds on the success of the first, is now getting under way.

Though sharing the Commission's concern about young people, Parliament has also reminded us of the needs and abilities of those other groups in the population which face specific difficulties in the labour market, i.e., women, the disabled and migrant families in particular. I should like to make it clear that our concern with these groups should not simply be a social or a political concern. There is also the hard economic calculation that in a world of intense international competition and technological change we cannot afford to have precious human resources wasted.

Our communication on vocational training focuses attention on two particular groups — girls and women, and adults lacking basic skills. Girls and women form half the Community's population, and they need special attention because at present educational and training systems are so biased against them. We need to open up access to education and training so that girls and women can realise their full potential and thus maximize their contribution to the Community. Adults lacking basic skills, such as literacy, numeracy and, in the future I believe, also computer literacy, are trapped, because without those skills in an

Richard

increasingly technological society there will be fewer and fewer jobs available to them. Without specific assistance, many face long-term unemployment. While unemployed, they are not contributing to the economic well-being of our Community.

Mr President, I would like to conclude with three final reflections. Firstly, I think we should try to be brutally realistic about what we can achieve. The problems are massive and the need for action is urgent, but there really are no miracle solutions. If there were, I have no doubt that some miracle workers somewhere — not necessarily in the Commission or indeed in this Parliament — would have thought of them.

Secondly — and I do not think I need remind the Parliament of this — whatever we do or say in Brussels or Strasbourg, ultimately it is at the local level that needs arise and have to be met. It is in local communities that most people are educated and trained and look for jobs. Because of that, any strategy for training and employment has to be rooted in local needs and local capacities. Our essential aim, therefore, in our vocational training strategy is not to impose a blueprint for social and economic development on local communities but to develop a framework for freeing them from the constraints hindering the achievement of their own social and economic goals.

Finally, may I say that the Commission shares the concern of Parliament to avoid what economists call the segmentation of the labour market — a dry and somewhat arid phrase which really means widening the divisions within the Community between the rich and the poor, between the well-educated and the less-educated, between the economically advanced and the economically deprived. Even in the depths of the current recession, it is worth while, I think, reminding ourselves from time to time that the ten countries of the Community remain amongst the world's most prosperous nations. Vocational training can help all our citizens both to contribute to and to benefit from the renewed growth of that prosperity.

Again, Mr President, on behalf of the Commission, I welcome the Parliament's interest and support in this issue. I hope that the Council of Ministers and the Member States will understand the urgency and the concern with which Parliament and the Commission approach this problem and will indeed soon take appropriate action.

(Applause)

President. — The debate is closed.

4. Social security

President. — The next item is the report by Mr Ghergo, on behalf of the Committee on Social Affairs and Employment (Doc. 1-130/83), on

the proposal from the Commission to the Council (Doc. 1-1186/82-COM(82)771 final) for a regulation amending Regulation (EEC) No 1408/71, on the application of social security schemes to employed persons, to self-employed persons and to their families moving within the Community, and Regulation (EEC) No 574/72, laying down the procedure for implementing Regulation (EEC) No 1408/71.

The debate includes the oral question to the Commission by Mr Albers and others, on the action programme for the improvement of the living and working conditions of migrant workers (Doc. 1-189/83):

1. To what extent is the Commission's policy still influenced by the action programme for the improvement of the living and working conditions of migrant workers and their families, which was adopted by the European Parliament by a substantial majority in 1975?
2. Does the Commission share the widespread concern that the rise of racist organizations, such as the 'League for the Protection of the German People' in the Federal Republic of Germany, and political parties such as the 'Central Party' in the Netherlands might jeopardize the living and working conditions and possibly the life of migrant workers and their families?
3. Is this concern not intensified by statements such as that made by the President of the Bundestag in the Federal Republic of Germany, Mr R. Stücklen, a CSU member of the European People's Party, who said: 'I too feel that the constitutional concept of "German people" is ultimately ethnic. There can be no justification, based either on ethnic or legal interpretations of the term "people", for an immigration policy which injects a foreign element into the German people' (*Frankfurter Rundschau* of 9 September 1982)?
4. What steps is the Commission taking to help ensure that migrant workers do not fall victim to the economic crisis which is having such a serious effect on the workers of the European Community?

Mr Albers (S). — *(NL)* Mr President, I apologize for taking up Parliament's time, but really I must protest formally against the fact that my oral question is being taken in this debate. I really have no idea how the Bureau could have decided that there is a link between my question and the subject under debate, which deals with a change in social security regulations on accidents and illness, whereas my question deals with an increasing xenophobia and expressions of racialism, which is a far cry from accidents and illnesses. My subject goes much deeper, and it would have been more logical to combine it with human rights, which are also being debated this week.

Albers

I am sorry, Mr President, but I really cannot agree to my question being taken in this debate.

President. — Mr Albers, we take note of your protest. I can only point out to you that the inclusion of your oral question in the debate which is about to begin was decided on by the Parliament when it fixed the order of business for this part-session.

Mr Ghergo (EPP), rapporteur. — (IT) Mr President, ladies and gentlemen, Regulation (EEC) No 1407/71, on the application of social security schemes to employed persons, self-employed persons and their families moving within the Community, is one of the most important issued by the Community to date. It is the practical implementation of the freedoms of movement and establishment that would otherwise have remained abstract statements of rights, devoid of real content.

This regulation — like Regulation No 574/72 laying down the procedure for its implementation— has undergone many amendments and modifications over the years with the integration of new features from the social legislation enacted by Member States, with the enlargement of the Community, and finally as a result of the way the concept of social security has itself evolved.

The proposal we are examining is for a regulation that will apply further amendments to Regulation 1408/71. One of these, to Article 61, is of special importance, and there are others of a purely technical nature to Appendix VI of the regulation.

Article 61 concerns accidents and sickness at work. It lays down that, in order to determine the degree of disability and the amount of benefit due in cases of accident at work and occupational diseases, account should also be taken of accidents at work and occupational diseases that have occurred previously, even if they were then subject to the legislation of another Member State.

Under the amendment in question, the overall assessment would also include accidents at work and occupational diseases which occur subsequently and in other Member States, since the reasoning behind the regulation is that the victims of accidents at work or occupational diseases should receive the same treatment as if there were a uniform social security scheme. This is laid down by a new paragraph 5, which replaces the original one.

In addition, two new paragraphs are added — 6 and 7. The first of these seeks to avoid any unjustified multiple claims, and the risk of double payment in the case of subsequent accidents at work. It lays down in fact that the 'cumulative' assessment of accidents at work that have occurred on separate occasions is only admissible in cases where, under the legislation of the Member State in which a prior accident occurred, no compensation in respect of that accident was due.

The new paragraph 7 lays down that the provisions of paragraphs 5 and 6 are applicable not only to accidents at work but also to occupational diseases.

As I have said, the other proposed amendments are of a technical nature, and relate to :

- (a) Annex VI C (Germany) of Regulation 1408/71, to which it is proposed to add a new paragraph, 14, which lays down rules for determining the net wages on which the amount of certain cash benefits are calculated in the case of workers employed in Germany but resident in another Member State. This is the result of similar amendments to the social security regulations for that country.
- (b) Annex VI J (United Kingdom), to which a new paragraph, 4 (a), has been added concerning the right to maternity payments. This amendment also is the result of a similar change in the regulations on the subject in Britain.

Naturally, together with the regulation in question, the consequent amendments to implementing Regulation No 574/72 are also included.

The Committee on Social Affairs and Employment approves the Commission's proposal from the social and also the legal and economic standpoints, and therefore, on behalf of the committee, which unanimously approved the report I have presented to you, I ask the Parliament to vote in favour of the proposal.

I also take this opportunity, on behalf of the Committee on Social Affairs and Employment and of my own political group, to express once again to the Commission and the Council the hope that, as quickly as possible, Regulation 1408/71 will be extended to workers from third countries, so as to make one set of regulations cover all workers employed within the Community, regardless of their country of origin. This is desirable not only to meet an elementary social need, but for equally obvious legal and economic reasons.

(Applause from the Centre)

Mr Alavanos (COM). — (GR) Mr President, there are hundreds of thousands of Greek migrants in other member countries of the EEC. Hence the amendments to the regulations governing their social security are of a special interest to us.

We have put down a series of amendments to Mr Ghergo's interesting report. With these amendments we wanted to remind the Commission, the guardian of the EEC Treaty, that in Regulation 1408 and its annexes there are provisions which run counter to Article 51 of the EEC Treaty, provisions which breach the fundamental principles of international social security law, such as the principle of equality of treatment between local and foreign workers in a given country and that preserving vested or acquired rights.

Alavanos

There are other cases where the legislation of some Member States excludes migrant workers from certain social-security benefits, such as the anti-summation clauses which reduce national pension payments by the benefit amounts to which migrants are entitled in another Member State as a result of having worked there, the institution of social-security benefits for purely demographic purposes so that migrants are excluded, the West German provision reserving the payment of certain accident and occupational disease benefits to persons resident within the territory of the German Federal Republic, or the French provision which disregards working periods spent under the insurance legislation of other Member States when assessing the allowance payable to over-age wage-earners.

Another purpose of our amendments is to point out that in order to improve the social-insurance position of migrants, Regulation No 1408 should not only be amended but also augmented. We hope that the rapporteur and the House will accept them.

Finally, with regard to the proposed addition of a new paragraph 14 to that part of Annex IV dealing with West German legislation, the Commission does not provide sufficient details for us to judge whether the proposed method of determining net wages is likely to benefit or harm workers. We cannot be other than worried, therefore, that the Commission's reticence and imprecision is perhaps intentional.

Mr Richard, Member of the Commission. — May I say right at the outset I am not exactly bewildered but I wonder indeed whether I should reply to the oral question which has been put down by Mr Albers or whether perhaps I should not.

There are one or two things in relation to his question which I, frankly, would be not exactly anxious to say on behalf of the Commission but perfectly prepared and indeed willing... But I see Mr Albers wishes to intervene.

Mr Albers (S). — (NL) Mr President, the Commissioner's reply indicates clearly that the Bureau has made a *faux pas*, a real *faux pas*, there is no other word for it. If this is how oral questions on this subject are to be debated, then Parliament must admit that it is not concerned about the fate of migrant workers, which is the subject of my oral question, and then I can agree with the Commissioner when he says that he cannot answer these questions in connection with this subject. When arranging the order of business in this House, you should consult those Members who really know what it is about — few indeed, as it is considered a marginal subject. But that is no way of dealing with parliamentary business. I formally maintain my protest and wish some way to be found of having this subject debated in any case.

President. — Mr Albers, as I pointed out to you just now, Parliament has decided to include your oral question in the debate. I therefore ask the Commissioner to be so good as to answer the question.

Mr Richard, Member of the Commission. — May I start off, then, by answering Mr Albers's question and then turn to the somewhat more technical, although very important, issues raised by Mr Ghergo.

Mr President, the action programme in favour of migrant workers and their families proposed by the Commission in 1974 and given a favourable opinion by Parliament on 25 September 1975 continues to provide the basis for the Commission's policy, and indeed for the Commission's action, in favour of better working and living conditions for migrants, as well as guiding the Commission in other areas of social policy, such as education, vocational training and housing, where the needs of migrants need to be taken into account. May I say that the Commission unequivocally condemns racialism and discrimination inspired by racial prejudice. We will do all we can to support the development of a tolerant, multi-cultural and multi-racial society in the Community. In particular, the Commission is firmly of the view that any measures adopted to fight the economic crisis and to combat unemployment and its consequences should not be discriminatory, nor should they seek to take advantage of the vulnerability of migrant workers on the labour market. They should rather take account, as I hope I indicated too in the answer I gave to the previous debate, of the underprivileged status of migrants with regard to employment, and they should rather include specific efforts to promote equality of opportunities for them.

Mr President, may I also say on behalf of the Commission that I am grateful to Mr Albers for raising this issue, at least in the written form that he did, even if we did not have the opportunity of hearing him expand upon his document this evening.

As one goes around the Community now and one talks in various countries about the depth of the crisis and the scale of the crisis and the number of people who are affected by the crisis, it occasionally happens that one hears views which on the face of it seem to imply a particular response to the crisis in a particular country. It is not always the same type of response: they vary from one country to another country. But it does seem to me that, faced with these dangers that Mr Albers has pointed out in his question, it is very important that the Commission should make *its* view clear that we are not in favour of that and indeed we will do everything we can to ensure, as I said a little earlier, that account is taken of the underprivileged status of migrants with regard to employment and specific efforts are made to promote equality of opportunities for them.

Richard

Mr President, may I now turn to the other issues which were raised by Mr Ghergo? Since 1972, when the original Regulations Nos 3 and 4 were replaced, the Community's regulations on social security for migrant workers have been amended now on several occasions. Some of the amendments are important, such as those which extended the regulations to self-employed persons on 1 July 1982. Others are perhaps of not quite so great importance, but they do result from the constant evolution of national social security legislation and they result also from the need for improvement on the basis of the experience gained from the operation of the rules in practice. As far as the Commission is concerned, naturally we keep these rules under review as best we can. We keep the national experiences very much in mind and therefore are grateful when a report of this sort and these issues come before the Parliament in this way.

Now the amendments which the Commission proposes reflect changes in national legislation. I think Mr Ghergo would be the first to admit that they are of a technical nature — none the less important but indeed somewhat technical. One of the proposed amendments, however, is designed to bring about a more substantial change in the existing rules. This amendment concerns Article 61 (5) of Regulation No 1408/71. It seeks to extend that article to cover accidents at work which have occurred subsequently under the legislation of another Member State as if they had occurred under the legislation of the Member State concerned. The existing rules provide only for the taking into account of accidents at work which have occurred earlier under the legislation of another Member State as if they had occurred under the legislation of the Member State concerned.

The House will appreciate now perhaps the truth of my earlier observation as to the importance — despite the technicality — of these issues. Also I should say to the House that these provisions apply also to occupational diseases as set out in paragraph 7 of the proposal. There is a special provision in paragraph 6 of the proposal to prevent double compensation which might otherwise result from the extension to subsequent accidents. The proposed amendments on which Parliament is asked to give its opinion now are of a technical or an administrative nature, but the new advantages which are offered to migrant workers by paragraph 1 of the proposal should be pointed out. I think they constitute real progress in the field of accidents at work to people who have suffered successive accidents in different Member States. This improvement ensures that these workers are not compensated less favourably than if the accidents had occurred in a single Member State. Moreover, I should specify that it is the intention of the Council, in agreement with the Commission, to incorporate the provisions of this proposal in the consolidated regulations on social security on which Parliament gave its favourable opinion

on 11 March 1983. That is the reason why the consolidating regulation has not yet been adopted.

From time to time one or two issues are raised in connection with these proposals which I think it is right that I should raise now in the House and try to deal with. First of all, one sometimes hears the question as to whether the proposal introduces anti-accumulation rules which would entail a reduction of rights for migrant workers. I have to say to the House that in my view this would be a false impression. I think it would be due to a misunderstanding of the proposal, perhaps as a result of the necessarily complicated nature of the draft. Can I assure the House that the proposal is designed to achieve exactly the opposite effect. It can in no way be less favourable than the existing rules.

Secondly, one is occasionally asked whether the Commission intends to take any action to extend the regulations to third-country nationals working in the territory of the Community. We are indeed doing something in this direction. In the first place, the Commission is working out arrangements with some third countries within the framework of general agreement with these countries. This is the case in particular with regard to Turkey, Algeria, Tunisia, Morocco and Yugoslavia. The purpose of these measures, which are well under way, is to afford to nationals of these countries working in the Community social security protection similar to that provided by the regulations to Community nationals. Secondly, we are considering the possibility of offering a more general solution for all third countries' nationals in the framework of the Community policy for migration which is now under preparation.

Thirdly, one occasionally is asked — indeed I think I have perhaps answered it — at what stage is the proposal to consolidate the regulations on social security for migrant workers? How far ahead are we on that? The Council is awaiting the opinion of Parliament on the proposal now before Parliament in order to incorporate it in the overall proposal for consolidation. I hope therefore that Parliament will be able to approve these small modifications as Parliament's rapporteur, Mr Ghergo, recommends, which continue the process of improving the rules for migrant workers.

May I say finally that it seems to me that in this type of issue Parliament and the Commission are both performing part of their essential duties and tasks — namely, that of keeping current legislation under review, examining national practices as they apply to that legislation and trying to improve it from time to time as the legislation continues to be enacted and implemented.

President. — The debate is closed.

5. Votes ¹

T. Nielsen report (Doc. 1-1363/82/I: Vocational training)

Mr Fich (S). — (DA) Mr President, I wish to protest against taking this vote now, and suggest it be postponed until tomorrow. The reason is that the amendments have appeared very late. We have hardly had time to read them. A few of the amendments still have not appeared in Danish, and until now it has been impossible to get a pile of amendments in Danish equivalent to that in other languages. Consequently, we have not yet been able to read them. I am not saying this in order to obstruct the vote, but I feel it is reasonable that we should know what we are voting on, and therefore I suggest the vote be postponed until tomorrow.

Mrs Tove Nielsen (L), rapporteur. — (DA) Mr President, as rapporteur I was about to say what Mr Fich has just said. It is quite unsatisfactory to start voting for the moment as it is quite correct that we have not had all the amendments in the Danish version. Only a few minutes ago someone was sent out to see if they were ready. They were not. It is highly unsatisfactory, when one as rapporteur has to listen to a debate, participate in it personally, prepare for the amendments, and make notes so as to be able, on behalf of the committee, to give advice and guidance when we vote. So, may I ask the President not to use a procedure which was chosen today, namely to conduct a debate, and immediately afterwards demand or expect that the rapporteur be able to give sensible advice. But what is most important in this matter is that under no circumstances can we vote when the amendments have not yet appeared.

President. — It is a great pity that this difficulty has cropped up, but the time-limit for tabling amendments, fixed for last Friday, left very little time and caused translation difficulties which, I believe in common with the rapporteur, justify deferring the vote until tomorrow.

Are there any objections?

That is agreed.

6. European Social Fund

President. — The next item is the report by Mr Barbagli, on behalf of the Committee on Social Affairs and Employment (Doc. 1-61/83), on

the proposal from the Commission to the Council (Doc. 1-903/82-COM(82)485 final) for a regulation to implement a Council decision on the tasks of the European Social Fund.

Mr Barbagli (EPP), rapporteur. — (IT) Mr President, ladies and gentlemen, on April 27 and 28 the Parliament held a special part-session at Brussels devoted to employment problems. I shall therefore not dwell on the unemployment situation in the Community, nor enlarge upon the statistics regarding this serious situation, but instead proceed immediately to the points put forward by the Committee on Social Affairs, on whose behalf I have the honour to present this report, which was approved unanimously by the Committee.

May I, however, first express regret that the new Fund regulations were not adopted by 31 December 1982, on which date the present ones expired.

We had a very detailed discussion in the Committee on Social Affairs. The Commission has always attended our discussions, and we had the pleasure and the honour of having Commissioner Richard with us on no less than three occasions, for which I offer him my personal thanks.

The Committee considers that this is an important operational instrument for promoting employment through vocational training and re-training programmes in both the public and the private sector, an instrument in fact directed at the creation of jobs in every sector — the self-employed, small businesses, farming, the service industries, etc. — by means of special courses, both technical and in administration.

The other important aspect that the Committee wishes to stress concerns aid to employment in the form of recruitment premiums, especially for firms that give emphasis to youth recruitment. We also wanted to include investment aid for firms that undertake investment for the creation of new jobs.

A further important aspect concerns small and medium-sized undertakings. Here we have also included cooperatives, not only because we consider that this form of enterprise can play a considerable part in developing employment, especially in critical situations and in internal areas, but also because we consider that the cooperative ranks as an enterprise in its own right.

We are aware of the fundamental role that small and medium-sized firms must play in the promotion of employment. We agree with the Commission on the need to encourage the provision of real services to small and medium-sized enterprises in order, amongst other things, to help towards a solution of the two great problems that face the Community at the present time.

The first lies in the territorial and sectoral imbalances evident between the large internal areas of the Community. The report on the European Regional Development Fund contains evidence of the continuing and increasing territorial imbalance between the various regions of the Community.

¹ See Annex I.

Barbagli

We consider that there is a potential in these regions that it ought to be possible to develop, so as to help resolve the serious problem of unemployment, whilst at the same time contributing to an ambitious programme for the elimination of imbalance and the development of areas that have remained on or beyond the fringe of European development.

The other great problem is unemployment, which is both long-term and cyclical.

Against this background, Mr President, I should like to dwell on some aspects that we consider of fundamental importance.

The first concerns priorities. We consider that our efforts must still be concentrated towards regional priorities. We do not agree with the Commission's proposal to determine territorial priorities on the basis of criteria that are general and ill-defined. We therefore propose introducing three parameters: *per capita* income, long-term unemployment and youth unemployment.

The Committee decided to accept an amendment aimed at bringing back a 'special reserve' of 30% for priority regions. In this connection I must recall that the present Fund regulations provide for a balance between Article 4 and Article 5, and a reserve of at least 50% for the depressed regions.

I think we are all fully aware of the serious problem of unemployment, which has certain cyclical aspects as the result of the introduction of new technologies. We cannot, however, overlook the long-term, structural aspects, and we consider that the balance reached by means of the parameters referred to may meet both requirements. I call on Parliament, the Commission and the Council, to take account of the balance achieved by the Committee on Social Affairs and Employment in assuming this midway position.

A further aspect concerns the need for concentrating resources. We can no longer operate by means of 'blanket' intervention. Vocational training aid must also be aimed at increasing employment and must be linked with investment, on Community policy lines. For this reason we call for the introduction of national outline programmes so as to balance intervention within the national territory and ensure that it conforms to Community policy. Thus we consider it necessary, in order to create definite job opportunities, for vocational training to be linked to investment, especially investment assisted by the financial instruments of the Community such as the Regional Development Fund, the European Investment Bank and the EAGGF structures, integrating and coordinating these instruments and programming them in the territory.

The other aspect concerns youth unemployment, which is of such dramatic importance. The Committee on Social Affairs does not consider it can accept the criterion on vocational training for young

people below 18 years of age, because the greatest area of unemployment is between 18 and 25 years of age. Action must therefore be taken to cover the whole of this range of ages and, in the case of young graduates, it may perhaps be necessary to go even further. Today it is increasingly vital to link the world of education with the world of production and employment, so as to offer young people, before they have finished their compulsory education, the possibility of continuing straight away their specialization in industry, especially in the most advanced firms.

Alternating 'school-work' training systems must be introduced, in which periods of theoretical study are followed by periods of practical application, in order — amongst other things — to reduce the period of unemployment after full-time education is over.

Mr President, these are the main reasons for which the Committee on Social Affairs and Employment asks Parliament to approve the report that I have had the honour to present on its behalf.

(Applause)

Mr Baillot (COM), *draftsman of the opinion of the Committee on Budgets.* — (FR) Mr President, the report I am presenting on behalf of the Committee on Budgets was adopted unanimously.

Since it was first set up, and in spite of the reforms of 1971 and 1977, the European Social Fund has failed to prevent mounting unemployment in the Community. The revision provided for in the Treaties thus comes in the nick of time, enabling it to play a more effective role in the fight against unemployment. The Commission seems aware of this when it emphasizes the fact that the Fund should be a more active instrument accompanying a job-creation policy. But the proposed means of action should meet this aim, and that is the question the Committee on Budgets has tried to answer in its opinion.

Will the Commission's proposed reforms make it possible to fight unemployment better? This, we think, is an essential question. Instead of alterations to the existing regulations, the Commission has opted for a total recast with completely new proposals. Although understandable, this desire for simplification makes it difficult to compare the old and the new.

Why does the Commission not give us a thorough analysis of the impact of the Social Fund on the Community in previous years? Such an analysis would surely have enabled us to make a better evaluation of the proposed revision.

The idea of the Social Fund is for it to be the instrument of a Community employment policy. But its operations have still to be better coordinated with the other Community instruments. This is why the Committee on Budgets is proposing to strengthen the coherence of Community policies and the coordination of their financial instruments. At the same time,

Baillot

it feels it is vital to ensure greater coherence between the policies of the Social Fund and budgetary decisions. Hence the need for the European Parliament to be consulted on these policies and informed of the financial requirements.

The experience of years gone by has shown that the resources of the Social Fund are likely, in practice, to be channelled into operations that are essentially assistance schemes or nothing more than simple financial transfers and the safeguarding of national quotas in the absence of a proper Community social policy. Although it limits the dispersion of credits, the system proposed by the Commission still makes the Social Fund a second ERDF, as it strengthens the regional nature of Community intervention. Does this not mean that our social policy is likely to be no more than the vocational-training aspect of our regional policy? Furthermore, the criteria used to construct the index, which is supposed to help those regions most affected by unemployment, perhaps lead us to encourage — or let develop at least — the very unemployment we want to fight. It is to remedy this and to make for greater effectiveness in the use of social credits that the Committee on Budgets proposes to complete the unemployment indices by introducing more positive criteria that take account of efforts made and results obtained in the Member States and the regions with a view to stemming the rise in unemployment and favourizing employment. Take, for instance, the provisions intended to reduce working-time, lower the retirement age and promote vocational training for young people.

The Commission's proposals also present another danger in that they may well lead to the suppression of specifically Community intervention. The Committee on Budgets by no means shares this view. On the contrary, it hopes that there will be more direct Community schemes. In particular, it insists on the continuation and spreading across the Community of pilot schemes that set an example and are likely to have a direct effect on unemployment.

The Committee on Budgets also has reservations about certain of the schemes financed from the Social Fund, particularly aid to employment. Experience shows that they are far more in the nature of direct — and costly — aid for firms than a durable answer to the unemployment situation. The Committee on Budgets proposes remedying these drawbacks by having the financial assistance given to firms for employment purposes accompanied by serious monitoring of the vocational training actually provided.

Although the Committee on Budgets has serious criticism and reservations as to the Commission's proposed revision, it does however, welcome the improved possibilities of monitoring the way credits are used, the speeding up of payment procedures, the direct paying over of aid to those who are financially responsible and any schemes which shorten the distribution process.

In conclusion the Budget Committee's opinion that I have outlined was adopted, as I said, unanimously, so I am surprised that the rapporteur of the Committee on Social Affairs, our colleague Mr Barbagli, has taken so little notice of it in his resolution. I have therefore, on behalf of the Committee on Budgets, tabled a series of amendments which I should be grateful if you would approve when the time comes.

Mrs Maij-Weggen (PPE). *draftsman of the opinion of the Committee of Inquiry into the Situation of Women in Europe.* — (NL) Mr President, I rise in this debate on the reform of the European Social Fund not on behalf of my group, but in my capacity as rapporteur for the Committee of Inquiry into the Situation of Women in Europe. Last year this committee studied the workings of the European Social Fund with regard to women, a report on which is contained in the form of an opinion in the Barbagli report. I wish to thank the rapporteur — and here I can be more positive than the colleague who spoke on behalf of the Committee on Budgets — for having taken up many of the proposals from our committee. He has accepted nearly all of our amendments which makes us very happy.

None the less, I still wish to make some comments on the way in which the Fund has been used with regard to women in the last few years and on the conclusions for the future of the Fund. Our study showed that women have benefited much less from opportunities under the Fund than men since the Fund was first set up; and to redress the balance a little, the Commission has since 1972 reserved a specific budgetary item in the Fund exclusively for women. The main purpose of that item was to give women of 35 and over retraining and additional training to help them return to work after a period of work in the family.

The strange thing is, however, that not one single project was submitted under this budget item between 1972 and 1977. That is because this special budget item came under Article 5 of the Social Fund, i.e. priority regions with a low national domestic product. And experience — I am tempted to say, bitter experience — has shown that regions with a low national domestic product and major structural problems usually show no interest in submitting specific projects for women, although unemployment among women in these areas is extremely high.

The Commission drew its conclusions from this in 1979 and removed the item in question from Article 5 to Article 4 of the Fund, to enable other areas to submit projects too. Since then, that has proved one of the most successful budget items of the Fund; in 1980, for example, 21 million ECU were available and applications for a value of 73 million were made, and in 1981 22 million ECU were available and about 100 million were asked for. The Committee of Inquiry into the Situation of Women in Europe is particularly gratified by this success.

Maij-Weggen

That is not, however, the last word on the subject, for the Fund now has 1 500 million ECU, and of course it is much more interesting to see how much of those 1 500 million will go to women than to see what happens to the little item of 22 million ECU. Our study has shown that about two-thirds of that item of 1 500 million ECU is still going to the men of Europe and only one-third to the women. That means that this specific item of 22 million in itself is all very well but it does not in the slightest make up for the imbalance in the rest of the Fund.

The problem noted in 1972 which led to the creation of that particular budgetary item has by no means been solved, and the question arises whether the solution of a separate budgetary item was the best one. Our committee does not think so, and our most important proposal is to urge the Member States to ensure that all projects submitted entail equal participation, if possible, of the two sexes. Obviously, we do not dogmatically expect each project to involve 50 % men and 50 % women, but we do think that, taken annually, each Member State should be able to show a balanced distribution between any participation by both sexes. That is the most urgent recommendation from our committee, and we are pleased to see it has been accepted by the rapporteur in many sections of his report.

Mr President, two further points by way of conclusion. We agree with the Committee on Budgets that the Social Fund has become too regionalized. The Social Fund is there to combat unemployment in the worst affected areas, and not first and foremost to redress regional imbalance. The latter is the job of the Regional Fund, with its own regulations and priorities. If the purpose of the Social Fund is to combat unemployment in the worst affected areas, then an important criterion for granting aid, in addition to those of long-term unemployment, structural unemployment and youth unemployment, is that of unemployment among women, for statistics show that women, together with young people, suffer most from unemployment.

I want to make a second point on the specific budgetary items for youth projects. I understand that 2 300 million Dutch guilders — that is, roughly 50 % of the Fund — is for youth projects. My group proposed that in the past and supports this idea. But we do have a special wish: we would like these projects not to be confined to 16-18-year-olds but to include all young people under 25 years, and we want to see a better deal for the girls, for two-thirds of unemployed youngsters are girls, but only one-third of the money for youth projects goes on girls and two-thirds on the boys. That is obviously totally wrong. More attention must be paid in youth projects, too, to the girls. As I have already said, the Committee on Social Affairs and Employment has accepted nearly all our amendments, for which we are very grateful to the rapporteur, but we also wish to have Parliament's support

here so that the Social Fund may help to bring us a little closer to equal treatment of men and women.

Mr Chanterie (PPE), — (NL) Mr President, we have been debating this important report, perhaps one of the most important reports, for the past half-hour, and I see that the Council is still not represented and obviously has little or no interest in this debate. I wish to protest most vigorously, and propose the debate be adjourned until the Council is present.

President. — I take note of your observation.

Mr Arfè (S), draftsman of the opinion of the Committee on Youth, Culture, Education, Information and Sport. — (IT) Mr President, ladies and gentlemen, may I in the first place compliment Mr Barbagli on the contribution which, with the help of the appropriate parliamentary committees, he has made on the subject that we are discussing here this evening. I am sorry that the order of business has meant that this discussion falls at a time that deprives it of some of the prominence it deserves, for this debate comes shortly after the part-session devoted to the question of unemployment, and is in fact supplementary to it. We are now at grips with the problem of how to manipulate an instrument which is essential to the action with which we are concerned.

This report contains some excellent features, not only as regards the various proposals put forward, but also because of its approach. It sets out, in fact, to make the European Social Fund capable of fulfilling a role that is fundamentally and substantially different from the one for which it was originally conceived. It sets out to change the Fund from an instrument of procedural control to one of Community solidarity, above all making its rules of application increasingly flexible, since it is obvious that all public action in these delicate fields can only be effective if it can be taken flexibly and quickly. Inflexibility, in cases such as this, can only be a hindrance. It must be possible, for each new set of circumstances, to adapt the application criteria to changing realities, where the speed of such change is very often unpredictable.

The criteria in fact concern all the instruments that can be used. As far as the Committee on Culture is concerned, a good point is the fact that the need has been emphasized to get away from the largely traditional gap in the European educational system between education and cultural upbringing, on the one hand, and vocational training on the other. This is a problem to which our Committee gave a great deal of time, and worked out some proposals on the subject.

Another good feature of the report is the broadening of the age band to take account of the factors to which Mr Barbagli referred. The problem of

Arfè

professional qualification still arises for those who finished their full-time schooling some time ago. It arises also for those who have gone on to further education, and for those who have gone to university. The fact that it deals with this aspect of the problem also is another excellent feature of the report, in our eyes, as is the abandonment of regional criteria whilst retaining regional priorities and all the new problems resulting from the introduction and development of new technologies, with the effect that these have on training. Today, a system of training based on theoretical study alternating with practical application has become a necessity that cannot be overlooked. The entire question of training for middle management is largely subordinate to the solution of this problem.

These are the points that were made by our committee as part of a general appraisal of the Barbagli report and its proposals. We felt we should make a special recommendation with regard to those working in the cultural sector — and here we refer also to certain documents from the Commission — who must also be included in the scope of this policy.

In closing, I would like once again to congratulate Mr Barbagli on his report.

Mr Nikolaou (S), *draftsman of the opinion of the Committee on Regional Development and Regional Planning*. — (GR) Mr President, having warmly thanked Mr Barbagli for his excellent report, and after stating that I shall not repeat what has already been said by the rapporteur, I shall confine myself to what is absolutely essential from the standpoint of the committee in whose name I speak.

The problem of unemployment should not be tackled in isolation, but in conjunction with the problem of structural under-employment. This under-employment has been the scourge of the underdeveloped areas of the Community not just in the present crisis but uninterruptedly during the last few decades, and even during periods of economic expansion. According to the information available — and I must say that, unfortunately, there are no statistics concerning under-employment — the present crisis is felt most keenly in areas with less developed economic structures, with structures which do not permit of easy adjustment to contemporary production requirements and to new technological developments. Although the Commission's proposals in the new regulation manifest the political will to tackle unemployment effectively and advocate specific intervention mechanisms, they fail, nevertheless, to give the necessary emphasis to the regional dimension of the crisis. Basically, the Commission is proposing a cyclical approach to the problem of unemployment without linking this to the developmental effort which needs to be undertaken in Europe at the present time. Of course, this assertion is not a rebuke, because we

all know that the resources currently available to the Community are limited. Therefore a fundamental increase in the resources of the Social Fund is a necessary condition for the implementation of a global social policy embodying both the cyclical and the developmental components. However, setting aside this general condition, our committee has tabled a series of amendments which, even in the present circumstances, can improve the new regulation and contribute to its more effective application.

The philosophy of the amendments we have proposed can be summarized as follows.

1. According to the ideas behind the new regional policy unanimously endorsed by the European Parliament during the debate on the reform of the ERDF, the reduction and prevention of regional disparities and, likewise, tackling the backwardness of less-favoured areas, should be incorporated as priority targets of all joint policies, and, by consequence, of the activities undertaken by the Social Fund as well.
2. We propose the creation of a financial reserve to help those less-favoured areas which, because of structural weaknesses, find themselves in a very unfavourable position *vis-à-vis* the programmes put forward by various structurally strong areas.
3. Concerning the six super-priority areas for which the Commission is proposing an increased intervention rate amounting to 55 % of the expenditure eligible for consideration our committee is of the opinion that this rate should be 60 %.
4. We applaud the measures for combating youth unemployment, but disagree with the establishment of age categories for special treatment amongst young people, because one must take account of the peculiarities manifest in each member country with regard to educational systems, duration of national service, etc.
5. Finally, we recognize that most serious problems exist even in structurally strong and traditionally affluent areas. We therefore approve of Article 6 (3), which makes possible intervention by the Fund in areas of this sort which have been badly hit by unemployment and which, on the basis of geographical allocation, would not be eligible for assistance from the Social Fund. Hence we have not put down an amendment on this point.

In conclusion, Mr President, I want to reaffirm a basic principle. With its activities up until now, and since the reforms of 1971 and 1977, the European Social Fund has been, and must remain, an instrument of social policy and of Community solidarity.

Mr Van Minnen (S). — (NL) At long last, Mr President, the European Social Fund is being adapted to meet the social realities in Europe, the social crisis in the Community.

Van Minnen

My group supports the Barbagli report — mind you, there is hardly anyone present here just now to object if I were to do otherwise — my group indeed supports the broad lines of the Barbagli report because it offers the Social Fund an opportunity of being more effective. But my group also wishes to draw attention to the dangers inherent in this new approach.

One danger, to begin with, is that of too many administrative complications blurring the transparency in the supervision of the operations of the Social Fund, the public's supervision *via* Parliament.

An even greater danger, however, is that in this new approach the new financial means are not all made available at the same time — in other words, that the budget does not show the effects of this. If the money is not produced, then in the very near future the Community will present its revamped Social Fund to the electorate in the form of a withered figleaf.

We welcome the concentration of funds on combating unemployment among the young, but once again there is the danger that because of an insufficient total of resources other groups, minority groups, will be overlooked, groups such as women and the handicapped which did receive special attention under the old Social Fund. These groups simply must not be ignored in our social policy.

In concentrating all our energies on combating youth unemployment, we must not limit our concern to the 16-25 age-group. What happens afterwards to these young people? We cannot simply put them out on the street as soon as they reach the age of 26, like a soldier who has served his time in the army; the whole Social Fund will have served no purpose unless we can guarantee continuity in the work of these young people.

Precisely because the renewed Social Fund is aimed at creating jobs through the availability of money — money which employers can get more easily — that is precisely where the renewed Social Fund runs the risk of becoming an instrument in the hands of clever employers, potential profiteers, who of course might easily be tempted to use the European Fund to create useful jobs for themselves. They must not be exposed to this natural temptation.

In order to ensure that the money from the Social Fund is shared fairly, the real needs must be assessed in closer cooperation with the local and regional authorities, which in turn presupposes more and better information work in the local authorities.

Mr President, these are a few points my group wished to make on the Social Fund, criteria on which we shall assess the effectiveness of the Social Fund in the future. No one here suffers from the illusion that the renewed Social Fund will banish the spectre of unemployment. All we can do here is help a little towards solving the problem of unemployment. But even this little contribution depends to a large extent on the

way in which the Council of Ministers finances the Social Fund.

Social policy has been the Cinderella of the EEC in the past few years, and the way in which the wicked stepmother treats the Barbagli report and the amendments to it today and tomorrow on our agenda, the mistreatment this evening by the Council, remarkable by its absence, to which Mr Chanterie rightly drew attention, is yet another sad illustration of the fact. Poor Cinderella! Well, it is time for the wicked stepmothers in the Council of Ministers, who will of course be present in the budget debate when it comes to financing the Social Fund, to show some warmth and affection for the supposititious child. It is time for them to put money into the social policy and make it one of the cornerstones of Community policy, as it deserves to be.

Mr Chanterie (PPE). — *(NL)* Mr President, I begin by repeating my protest at the Council's absence during this important debate. I did raise a point of order, Mr President, and proposed adjourning the debate until the Council was present, but you did not think fit to act on my proposal. I believe that this is one of the most important debates that the European Parliament can hold this year. We regularly have major debates in this House on the situation in nearly the whole world, but when it comes to a policy that first and foremost directly affects the citizens of the European Community, then the Council fails to turn up.

Mr President, ladies and gentlemen, during the special part-session on employment a few weeks ago in Brussels, we drew the outlines for a future European policy. Again today, in the debate on the Nielsen report on vocational training, we reiterated a number of principles to be retained in a European policy. We have taken many standpoints in earlier debates, but today's debate deals with reality, the instrument laid down in the Treaties for a European social policy, and this instrument is the most important one available to us.

The proposed alterations to the European Social Fund are intended to improve employment in a more dynamic and creative way, and this presupposes an increase in the finance of the Social Fund. We in Parliament actually urged a doubling of the finance, and this was also the Commission's proposal. It is closely linked to the increase in the Community's own resources, and I think that the next few weeks, especially when the European Council meets in Stuttgart, will test whether we in the European Community genuinely want to act on our declared intentions. Whatever one says a doubling of the finance of the Social Fund is directly connected with an increase in the Community's own resources.

As I said, Mr President, the proposed alterations are extremely important. They entail simplifying the structures, extending the scope of activity of the European

Chanterie

Social Fund, concentrating finance on those areas and activities in greatest need, and fitting the fight against unemployment into the general strategy of the European Community to stimulate growth and redistribute labour.

Some speakers, including the rapporteur of the Committee on Budgets, indicated that there are a number of dangers in the planned changes. I believe there are also a number of very positive elements, including strengthening the rôle of both the Commission and the Parliament.

We in the Committee on Social Affairs and Employment have adopted a number of amendments on the subject. A basic question is whether the European Community has a social policy of its own or merely supports initiatives from the Member States. And on that issue, Mr Baillet, we in the Committee on Social Affairs and Employment have adopted amendments aimed at supporting initiatives from the Member States which fit into the Community policy on employment. Member States are very eager to receive money from the European Social Fund but not so eager to inform their citizens on the policy and implementation of projects, and people are not aware of the aid given to all kinds of projects in our Member States.

Mr President, I shall conclude by mentioning that Coreper plans a discussion on the renewal of the Social Fund this week, actually tomorrow and the day after, while the Council is not present here today, and so far as we know has not shown any willingness to consider the amendments made by Parliament to the Commission's proposals. I hope, Mr President, that Coreper in its meeting this week and later the Council of Ministers for Social Affairs will pay sufficient attention to this debate.

Mr Tuckman (ED). — I would like to explain that in our group we are dividing this up. So if you would regard me as the overture with more to come later, the total being the group reaction, then you will get the right idea of what we are trying to do.

The general picture is: yes, we are very much in favour of what is being done; that this fund is now becoming applicable to a wider range of people, a wider range of purposes and to a wider regional range. So, on all that, we are very happy. And we like the fact that the money is going up, although we are still of the opinion that it is very far from doing the total job that it wants to do. Going beyond that, we do not, of course, hold the view here that with a fund of this kind you can abolish unemployment. Replying, for example, to what Mr van Minnen had to say, I think you are bound to have cut-off points, to have certain categories where you get into a grey area in which you cannot help any more with the funds available at any one time. Our general view of this however, is that it is a good thing.

Now the great difficulty, of course, in talking about anything which addresses the question of unemployment is that there is a gap in our knowledge about the future. We just do not know whether we really have reached a point where jobs are being destroyed in perpetuity and not replaced, or whether, after, say, a period of ten years, this will lead to a growth in different areas, just as we have had in the past.

You will remember that there was a time when a very major source of employment in Europe was domestic employment — your maid, your cook and so on. These are jobs that have vanished from the face of Europe. They were taken up by all sorts of other jobs — in retail, for instance, and in transport. Whether the new technologies will in the end furnish us with more jobs and thereby more wealth is something we wish we knew, but we don't know.

Now the theme of training has run through not only this debate but the previous two debates as well. My key interest lies in drawing attention to the fact that training is not just a matter of skills and technical matters. It is also a matter of having to train people in new attitudes. I will spend a very small part of the time allotted to me in telling you a true European story which happened during the past month. A teacher took a class of 20 girls around one of those very modern highly efficient stores. When one girl did not behave herself terribly well, she said to her in the presence of the manager of that store: Look, Jane, if you don't behave yourself, you will end up behind one of these counters! That anti-commercial attitude is one of the key problems which we have in Europe. We tend to regard everything as worthy and adequate if it is based either on land and farming or on deep science, but the things which earn our money are regarded as not worthy and we just don't stress them enough.

If this is what we teach our youngsters, then we shall end up in the situation which we have in my country and which Mr Chanterie spoke about in his own, namely, that even in areas where there has recently been a shutting down of lots of firms, we cannot find the trained people. This is a really sad and worrying and very important fact.

Becoming more specific, Mr President, I would like to recommend to the House that our Amendment No 104 receive very serious consideration. We think this Fund should be geared to the Community average, so that we treat the areas of unemployment in the Community as a whole, rather than to the national averages which have so very many vital differences between them. No 104 is a key amendment from our point of view.

President. — In view of the time, the debate will now be suspended and resumed tomorrow.¹

(The sitting closed at 8 p. m.)

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

ANNEX I*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

GHERGO REPORT (DOC. 1-130/83 : SOCIAL SECURITY) : ADOPTED

The rapporteur spoke **AGAINST** all the amendments.

* * *

ANNEX II**ACTION TAKEN BY THE COMMISSION ON OPINIONS DELIVERED BY THE EUROPEAN PARLIAMENT AT ITS MARCH AND APRIL (I) 1983 PART-SESSIONS ON PROPOSALS FROM THE COMMISSION**

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the March and April (I) 1983 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 (March and April (I) part-session)

1. Report by Mr Veronesi closing the parliamentary consultation procedure on the Commission proposal to the Council for a directive on saving crude oil by using substitute fuel and Community rules concerning the use of alcohol in petrol :

Following the adoption of the report in plenary sitting on Friday 11 March, steps are being taken by DG XVII to amend the draft directive as requested.

Parliament will be informed in due course.

2. Report by Mrs Théobald-Paoli closing the parliamentary consultation procedure on the Commission proposal to the Council for a decision on a plan for transnational development of infrastructure to further technological innovation and the transfer of technologies, 1983-85 :

Following the vote at the March part-session, an amended proposal for a Council decision has been prepared incorporating all the changes approved by Parliament ; this is now ready for the Commission's endorsement, which should be forthcoming in the next few weeks.

Parliament will be informed in due course.

3. Report by Mr Moreland closing the parliamentary consultation procedure on the Commission proposal to the Council for a recommendation concerning the setting of natural gas prices and rates in the Community :

Following the adoption of Mr Moreland's report in plenary sitting on Friday 11 March, steps are being taken by DG XVII to amend the draft recommendation as requested.

Parliament will be informed in due course.

4. Report by Mrs Squarcialupi closing the parliamentary consultation procedure on the Commission proposal to the Council for a Directive on the making, placing on the market and delivery of medicated feedingstuffs in the Community :

The Commission is preparing an amended proposal, pursuant to Article 149 (2) of the Treaty, embodying the changes it accepted at the April part-session.

Parliament will be informed in due course.

5. Report by Mr Johnson closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation on Community environment schemes :

The Commission has accepted Mr Ghergo's amendment inserting an Article 5a into the proposal ; it will accordingly be submitting a proposal to the Council to that effect, pursuant to Article 149 (2) EEC, and will inform Parliament.

6. Report from Mr Purvis closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation on financial incentives for certain kinds of investment in rational use of energy :

The Commission is amending its proposal pursuant to Article 149 (2) EEC. Parliament will be kept informed.

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

1. Report by Mrs Cassanmagneto Cerretti closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation on the implementation of the special programme for tackling world hunger :

The Commission told the House why it did not feel it could accept the amendments to Articles 8 and 9 of the proposal. As for the amendment to Article 2, the Commission supports the general aim Parliament is pursuing here. It would observe that the planned aid is to be directed more particularly to the least-advanced developing countries ; in its view, however, action under the regulation — assistance for food strategies, thematic projects — conducted direct and priority-wise in the regions covered by the criterion in the amendment would not actually be the best way to deal with the food problem in those regions. It therefore cannot see its way to accepting the amendment.

C. Commission proposals in respect of which Parliament delivered opinions in favour or did not request formal amendment

1. Report by Mrs Pery closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation determining the import duties on fish fillets produced on Community vessels from third-country fish :

The Commission proposes to take two implementing regulations. one based on Council Regulation No 1224/80 of 28 May 1980, on the valuation of goods for customs purposes, and the other on Article 2 of the regulation to which Parliament's resolution relates : the first of these will provide for the fixing of minimum prices, thus meeting Parliament's desideratum in 4 (a) of the resolution, and the second for the monitoring arrangements, including evidence of origin, thus meeting Parliament's desideratum in 4 (b) of the resolution.

As these implementing rules would meet Parliament's substantive desiderata, the Commission does not intend to amend the basic instrument.

Needless to say, the two regulations just referred to will come into force simultaneously with the regulation to which the resolution relates, on 1 October.

2. Report by Mr Delatte on Commission proposals for regulations amending
- i) Regulation (EEC) 456/80, on the granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting; and
 - ii) Regulation (EEC) 458/80, on collective projects for the restructuring of vineyards:

Paragraph 3 of the resolution

On 28 February 1983, the Commission submitted a proposal for the amendment of Directive 78/627/EEC (due to expire in June 1983) extending it for some 16 months.

Parliament will be asked to approve this proposal at the May part-session.

3. Interim report by Mr Arndt closing the parliamentary consultation procedure on the Commission communication on the future financing of the Community:

At the April part-session, Mr Tugendhat told the House (on 13 April) what action the Commission planned to take on Mr Arndt's report. In particular, he stated that the Commission would be submitting a proposal on new own resources in May.

4. Report by Mr Eyraud closing the parliamentary consultation procedure on the Commission proposal to the Council for a regulation amending Regulation (EEC) No 1431/82 providing for special measures in respect of peas, beans and field beans:

Paragraph 3 of the Resolution

The incentives provided for in Regulations 1119/78 and 1431/82 have helped to boost Community production of peas, beans and field beans, for the tonnages under the aid arrangements have moved as follows:

	(tonnes)
1978	165 000
1979	270 000
1980	332 000
1981	352 000
1982	450 000 (estimated)
1983	500 000 (forecast)

5. Report by Mr Herman closing the parliamentary consultation procedure on the Commission proposal to the Council for a decision amending Council decision 79/785/EEC of 11 September 1979 establishing a multi-annual informatics programme, 1979-83:

Paragraph 4 of the resolution

The first leg of the multi-annual programme is proceeding normally, with funds to run up to the end of 1983. At present the two legs are proceeding simultaneously, up to the end of this year.

Paragraph 5 of the resolution

An application for the first leg to be extended is in preparation, much of it devoted to expanded proposals for standardization and opening up of public sector purchases.

Paragraph 8 of the resolution

The Commission is making every effort to get the first leg completed, and will, if appropriate, report on any obstacles encountered.

D. *Disaster aid provided since last part-session*

I. *Emergency aid within the Community*

Nothing to report.

II. *Emergency aid for third countries*

(a) *Food aid*

5 000 tonnes cereals to Chad for war and drought victims

5 000 tonnes cereals for drought and war victims in Eritrea and Tigre,
94 tonnes butteroil Ethiopia, to be dispended by a non-governmental
organization

(b) *Financial aid*

100 000 Ecus for flood victims in Bolivia

200 000 Ecus for earthquake victims in Colombia

500 000 Ecus for Ugandan refugees returning from Zaire.

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IN THE CHAIR : MR DANKERT

President

*(The sitting opened at 9 a.m.)*¹

1. *Decision on urgency*

PROPOSAL FROM THE COMMISSION FOR A
REGULATION ON FOOD AID
(Doc. 1-60/83)

Mr Prout (ED). — Mr President, my group is opposing this request for urgent procedure — not, I hasten to add, on grounds of substance, but on constitutional grounds.

As you know, the regulation has been subject to the conciliation process on two occasions this year. On both occasions Parliament put forward views which were subsequently ignored by the Council. That is the reason why, as I understand it Mr President, the Committee on Development and Cooperation have refused to appoint a rapporteur and refused to draw up a report on the Commission request. We therefore request the Parliament not to adopt urgent procedure on this matter so that we can reconsider the position and try and persuade the Council to take into account the very strong opinions on food aid which have been expressed in this House on several occasions.

Mr Arndt (S). — *(DE)* I do not dispute what Mr Prout has just said about constitutionality. But basically that has nothing to do with the question of whether this item is placed on the agenda or not. For if the situation is as he has described it, he must have the opportunity to put it before Parliament. That is why I am in favour of this item being entered on Friday's agenda. If it emerges from the debate that he is right and that we have to reject it, we can do so on Friday. But we must enter it on the agenda.

*(Parliament agrees urgent procedure)*²

Mr Sieglerschmidt (S). — *(DE)* I merely wanted to ask whether there are any non-urgent items on our agenda.

President. — On Fridays, Mr Sieglerschmidt, everything is urgent.

2. *European Social Fund (continuation)*

President. — The next item is the continuation of the debate on the report (Doc. 1-61/83) by Mr Barbagli.¹

¹ *Approval of minutes — topical and urgent debate (announcement):* see Minutes.

² *For all other requests for urgent debate:* see Minutes.

³ See previous day's debates.

Mr Ceravolo (COM). — *(IT)* Mr President we are in agreement with the main lines of this proposal for the reform of the Social Fund. We think we can see in it a serious attempt to enlarge the capabilities of the Social Fund in line with the new situation in the labour market, marked as that is by severe mass unemployment.

We also think that it is right to extend the opportunities for training young people, because we know very well that, today, the transition from school to the labour market has become a very much more difficult business. Hence the need to help young people and facilitate their entry into this labour market.

We are also in agreement with the enlargement of the Fund to support innovation in small and medium-sized firms. The structural size of these firms in fact favours both innovation and the creation of new jobs. We are also in agreement with the need for action where the 'areas of reorganization' are concerned — areas which are also strong, but where technological unemployment is increasing.

These are the features of the situation at this moment. We also agree on the need for new types of trainer — 'development agents' — and so on.

Something still seems to us, however, to be lacking: for example the enlargement of one of the Social Fund's functions with a view to promoting the reduction of the working week. Of course, there exist both the hope and the desire to bring the Social Fund into line with the great European policies. We know, however, that one great European policy is still lacking.

We want this to have as its aim the reduction of the working week in relation to employment.

In short, whilst we approve this extension of horizons where the Social Fund is concerned, so as to go beyond the old frontiers that were limited simply to pockets of unemployment, I would say that the available resources are not, however, commensurate. There is in fact no adequate budget provision for this new dimension that it is proposed to give to the Social Fund which operates in practically every area in the Community — strong and weak alike. Whilst the distribution criteria, for example, do reduce or even eliminate a certain inflexibility that existed in the past, they do not however ensure that there will be efficient central coordination. The criteria that are suggested are in fact ill-defined and, sometimes, they are deliberately so. The Commission in fact wants the right to be able to intervene in areas not previously covered even by the indicators. The indicators are ill-defined, uncertain and not entirely free from the temptation to give rights that exceed the bounds of the indicators themselves.

Ceravolo

It is right to remove rigidity: it is right to promote greater flexibility in the way the Fund can be used and is used. But we want to be sure of central coordination so that the Fund can operate in the right directions, and can at the same time be adequate to requirements.

We insist here on two requirements that must not be overlooked.

The first is to make the Fund function also in the field of the 'Cassa integrazione' — the 'layoff fund' which, in our country, often conceals a situation of real unemployment, by which I mean that even though there is no official unemployment the workers are still obliged to do a 'zero' working week so that, from one important standpoint, we are still talking about unemployment. The 'Cassa integrazione' is therefore very much an indication of the new, latent trends — as I would describe them — in unemployment that every day reflect the 'ferment' of this mass unemployment.

The second requirement concerns the guarantees for the less developed regions. It is true — as we are told — that we must not neglect the structural unemployment of the less developed areas. But it must be remembered that there are various forms of structural unemployment. There is structural unemployment, for example, even in those areas that are strong; sectors that have traditionally been bastions of mass employment are in crisis. Here, too, we are talking about structural unemployment, because the new job is not created immediately, and there is no mobility of labour. There is thus a permanent pool of unemployed, whose number increases further every day.

We therefore insist on the need to give a guarantee of 30% in favour of the less developed areas, and amongst these we include also those 'strong' areas that have in the past been rich sources of employment but which are now in decline, because of industrial reorganization.

(Applause from the benches of the Communist Group)

Mr Flanagan (DEP). — Mr President, on behalf of the Group of European Progressive Democrats, I also wish to congratulate Mr Barbagli on the hard work he has done on behalf of the Committee on Social Affairs and Employment on the proposals for the alterations in the Social Fund. At the same time I am somewhat worried as to whether at this twelfth hour the views of Parliament will be communicated to Council soon enough for them to be given consideration, since Coreper is at the moment preparing its final draft submission. I hope that what we have to say is listened to by the Council.

Perhaps a year-and-a-half ago I warned in this Chamber about the consequences of increasing unem-

ployment in the Community and warned specifically that civil disorder would result if strong action were not taken. I think the phrase I used was that what would happen would make Toxteth look like a Christmas party. The headlines in our various newspapers in recent times bear this out. They bear out the fact that sadly there is now a new young person roaming the streets living like an animal. This is something that we as a community and as representatives of these people cannot and should not ignore. I accept what Mr Tuckman said last night to the effect that the role of Parliament and of the European institutions is, by definition, a subsidiary one only and that the primary responsibility must rest with the respective member governments. Our role should however be seen as a significant one. We should be seen to be making a determined and sincere effort to play our part in combating this appalling problem.

Naturally I turn my attention to my own country, which has at the moment the worst unemployment situation of all. I would again remind the House that Ireland is and always has been regarded as a priority region. The number of unemployed young people in February was 30.2% as against 28.6% only three months earlier. Our general overall lack of development and the fact that we have a very low GDP level per head and insufficient resources to make the necessary economic and social progress strengthen our case for priority intervention by the Social Fund in favour of Ireland.

I also wish briefly to refer, because my time is limited, to the proposal about the black spots. I am worried here that this would interfere with the overall effect and absorb too much of the Social Fund. I refer to the specific words of Mr Barbagli in his report, and I quote: 'In addition to escaping any criteria of regional selectivity ...'

(The President urged the speaker to conclude)

Mr Flanagan (DEP). — I have concluded.

Mr Vogt, President-in-Office of the Council. — (DE) Mr President, ladies and gentlemen, thank you for inviting me to take part in the meeting at which the European Parliament intends to deliver its opinion on the proposals for a review of the European Social Fund.

The Council attaches great importance to Parliament's opinion on the rules which are to govern the activities of the Social Fund in the years to come. They will apply over a period which, in the view of us all will be crucial for the employment situation, especially youth employment.

The Employment Ministers of the Member States want to discuss the review of the European Social Fund at a Council meeting on 2 June. The German

Vogt

Presidency will do its utmost to ensure that these deliberations lead to positive results. The European Council expects us to decide on measures which will also enable the Community to combat unemployment more effectively than hitherto, to help make decisive improvements in the vocational training and employment opportunities for young people in the Member States and to find ways and means of ensuring that the Community can make a more effective contribution to shaping the Member States' employment structures. If agreement is reached on a reform of the Social Fund at the 2 June Council meeting, we will have a chance to achieve this and thereby also to pave the way for a Fund that is more dynamic and works more effectively in the coming years.

I am convinced that this is also in line with the European Parliament's rightful expectations. At the same time the Council is not underestimating the difficulties that arise when a system within which certain interests and administrative practices have become established is to be reviewed and a new system is to be introduced. This requires a large measure of adaptability and good will.

I am confident that the reform of the Social Fund is indeed necessary. The decision to review the rules in force today was foreseeable even at the time they were first formulated. Whether the Social Fund can be improved depends on the results obtained from observing the priorities dictated by the realities of the employment market and concentrating a large part of Fund resources on these priorities. The statistics on unemployment in the Member States show what the first priority is. Unemployment among young people under 25 is considerably higher than the general unemployment rate and in some countries has reached the record level of 47%. The Fund's activities should therefore be concentrated on youth unemployment.

That does not mean they should be concentrated exclusively on this area. Problems also exist in other employment groups, where youth employment was not originally promoted, and your rapporteur has documented this with the relevant data. The aim is lasting integration into the employment market. A solid vocational training system can help ensure this. The motion for a resolution rightly emphasizes the need for alternating training programmes for young people. The reform of the Social Fund also implies simplifying it. Should it prove possible to bring together the present wide array of provisions, accessible only to specialists, into a basic decision and an implementing regulation that is intelligible and comprehensible to all, that would be another success achieved by the reform. The citizens of Europe are entitled to this too.

Concentration and simplification are possible ways of making the activities of the Social Fund more efficient and giving them more impact. I think we will agree, if

we follow this road. I need not go into this matter further since Mr Blüm, the Federal Minister, whom I am representing here today, put these ideas to the Committee on Social Affairs and Employment in January and to you on 27 April.

A few final comments on regionalizing Fund aid, which is a very interesting part of the Commission proposal and has been examined with special care by the Committee on Social Affairs and Employment. Naturally I cannot anticipate the Council's deliberations or the debate in the European Parliament, which still has to vote on its resolutions. Yet I would like to draw attention to the complexity of this matter.

First it should be noted that the idea of regionalizing Fund aid is no longer such a matter of dispute as it used to be now that unemployment has penetrated all areas and all regions of the Member States. And it would be hard to deny that the less-favoured areas of the Community, being structurally weaker, have fewer means of checking the tide of unemployment, and therefore require Community solidarity, which they do obtain under the current rules.

It also remains to be decided which areas are to enjoy priority Fund aid. Here the Commission has proved very imaginative and proposed a statistical mechanism designed to create a new system of geographical distribution. It must be acknowledged that in face of very great difficulties, and even though very heterogeneous data were supplied or available, the Commission and its departments have managed to design what is basically a very logical mechanism. On closer examination of the data, on which the Commission based its proposal, however, many doubts and reservations were expressed about the comparability, up-to-dateness and reliability of the data and about their significance and representativeness. Changes in the indicators do not make it easier to solve the technical problems either, given that from a statistical point of view general unemployment is regarded as the most reliable indicator.

Perhaps the Council will manage to resolve by 2 June the very many technical problems arising out of the regional system proposed by the Commission. But if we agree on the urgent need for a decision on the reform of the Social Fund, to enable it to operate on a new basis by 1984, it might be worth considering practical ersatz solutions for the regional problem. For the rest, the efforts the Commission has already made to formulate an objective mechanism based on unimpeachable data should be continued.

I am convinced that the European Parliament has made and will continue to make a constructive contribution to the reform of the Social Fund. I hope that at the appropriate time it will also recognize the Council's endeavours to make serious progress. When it presented its programme, the Presidency informed the Committee on Social Affairs and Employment that it

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agreed to report on it at the end of its term of office. I am happy that an invitation has now been given and am confident that it will be able to report good results.

Mr Pesmazoglou (NI). — *(GR)* Mr President, I listened with particular interest to what the President-in-Office of the Council of Ministers said a short while ago when he underlined the importance of the Social Fund and acknowledged the contribution of the European Parliament and of the Commission to its work.

As Mr Richard said yesterday, and very clearly, I think, the work of the Social Fund as well as being socially important is also of very great economic importance. Therefore it is necessary for it to operate on firm principles and guidelines, and at the same time with flexibility, so that solutions can be found which correspond to the special problems of each area and of each country. On the basis of this criterion, Mr President, I would like to draw the attention of the European Parliament, of the Commission and of the Council of Ministers to a very acute special problem facing my country, Greece.

In Greece there has always been a serious shortage of work, that is there has always been unemployment and extensive under-employment. At the same time unemployment benefits are very low and in all cases are paid for a very limited period of time. Large groups of workers, particularly young people and women, have no entitlement to such benefits.

This means that it is necessary for the Social Fund to take action in certain specific directions, and with regard to this I would like to ask the Commissioner responsible what the position of the Commission would be given the Social Fund legislation in force currently or following the incorporation of the proposed amendments.

Firstly, on intervention by the Social Fund in farming regions to provide for the vocational training of farmers, and especially of young farmers, in modern methods.

Secondly, on the financing by the Social Fund of schemes to subsidize the earnings of young people in first-time employment with small and medium-sized undertakings where their employment is linked to the provision of vocational training.

Thirdly, and lastly, on the funding of employment schemes for unemployed people in social infrastructure projects in hospitals, schools, and local government, and always in conjunction with the furtherance of their vocational training.

I would like to stress that in my country, Greece, it is necessary for the problem of unemployment to be tackled in these ways and, Mr President, I would like to ask Commissioner Richard whether such possibilities exist or, if they do not exist, how the Commission stands on tackling these needs which in Greece are particularly acute.

Mr Pattison (S). — Mr President, the Commission has proposed several far-reaching changes in the document before us which have the very worthy objective of making the Fund a more flexible instrument for reducing unemployment. However, I have certain reservations about some of these provisions, and these reservations are shared, to a large extent, with other members of the Committee on Social Affairs and Employment. We must not forget the structural policy aspect of the Social Fund, as laid down in the Treaties, that it is an instrument for promoting solidarity among the regions of the Community, nor can we afford to forget that the disparities between the less developed and the wealthier regions in the Community have actually increased over the last year. Therefore I am concerned at the Commission's proposal to replace the present system of geographical selection by the proposed index.

While I could accept the compromise proposed in Mr Barbagli's excellent report, I believe it will be extremely difficult to calculate the content of these indices on a comparable basis for the various regions in the Community. In addition, I believe that this proposal, coupled with the proposals under Article 6 for assistance to economic black spots and the proposal to delete the provision in the Fund's regulations guaranteeing a minimum percentage of the Fund's resources for under-developed regions, will undermine the priority position of the less developed regions, thus distorting the Fund's essential structural function. This is more serious in the long term if the Commission's proposals, as they stand, are implemented. The problems of those areas hit recently by the economic crisis, the unemployment black spots, are a source of great concern to all, and action must be taken at national and Community level to resolve them.

Further, while I can support the new system of three categories of intervention instead of the nine in the present system, I would ask the Commissioner to give an explicit guarantee that groups which have benefited under the present system, such as the handicapped and the long-term unemployed in Ireland and elsewhere, will continue to do so. My fear is that in view of the limited financial resources available to the Social Fund, as we accept new categories and groups as eligible for aid, we shall exclude those who benefited in the past.

I have tabled some amendments. The most important of these calls for the maintenance of Fund assistance for persons who require retraining to meet the demands of changing management and production techniques. This, which is allowed under the present rules, is essential in under developed regions for upgrading the qualifications of managers in small and medium-sized enterprises. Surveys have shown that the rate of small company failures leading to unemployment is often due to management deficiencies in basic techniques.

Pesmazoglou

I have also tabled an amendment calling for allocations to the Social Fund which would be sufficient to meet all the demands made on it. I shall conclude by stressing this last point that we must insist on having not just a fixed percentage of the total budget — though I will support that in the short term — but enough money to fund the policies and actions which we agree are essential. The resources allocated in the past have not been anything like sufficient to cover all the eligible projects. We must fight for a budget sufficient to finance all these; otherwise we shall be wasting our time and losing our right to the trust of our people.

Mr Papaefstratiou (PPE), Chairman of the Committee on Social Affairs and Employment. — (GR) Mr President, ladies and gentlemen, the Committee on Social Affairs and Employment, of which I have the honour to be chairman, has for the last few months been strenuously occupied with examining the Commission's proposals for reform of the European Social Fund. Its conclusions are contained in the excellent and full report by our colleague, Mr Barbagli. There are a lot of positive points in the Commission's proposals and I will draw attention to several of these.

First of all there is the simplification of the structure of the Social Fund which will render it a more flexible instrument for combating unemployment in a positive and innovative manner. Also noteworthy is the attention given to the needs of young people and of certain other vulnerable groups, such as women, migrant workers and the handicapped, as is, likewise, the fact that for the first time there is provision for help to be given to small and medium-sized undertakings.

Another positive new point is the proposal for interventions in support of people to be engaged as trainers or as experts in vocational guidance or job placement. Many of these proposals genuinely comply with the urgent need for the Social Fund to be adapted to the new labour market circumstances prevailing in the countries of the Community. The mass entry of people into the labour market, industrial restructuring which leads to the loss of job positions, the introduction of new technologies which very often disrupt traditional production methods, gathering imbalance between the so-called affluent and poor areas of the Community. This is the challenge facing us and which we must counter with a coordinated social policy on employment aimed not just at the provision of vocational training but simultaneously at bringing about the vocational and social integration of chiefly young people and persons in other disadvantaged groups.

There are, however, certain shortcomings in the Commission's proposals. The first of these has to do with the question of financial resources. This is an inherent shortcoming. With the sum of 1 534 000

ECU, to which its total aid disbursements amounted in 1982, it is not possible for the Social Fund to become suitably flexible and for it to widen its activities with the effectiveness required to combat unemployment. I hope that the Greek Presidency which begins in a month-and-a-half will make a real attempt to double the sum allocated to the Social Fund because, specifically in Greece, unemployment has trebled in the last 18 months, and one out of two young people is unemployed.

The second shortcoming concerns the criteria for the selection of programmes eligible for intervention by the Social Fund. Here the Commission's proposals are somewhat vague, particularly on the criteria for defining less-favoured areas, and on the Social Fund intervention rates. We agree in principle with the proposed new measure on black spots. However, there is a risk that the criteria for the selection of these will make it exceedingly difficult for them to be definitely located in countries with high unemployment, whereas the opposite state of affairs will obtain in countries with low unemployment rates.

The text as amended by the Committee on Social Affairs and Employment is aimed at instituting suitable improvements on these points. Thus, we propose that per capita income should be a 50% factor in the establishment of the list of less-favoured areas, and that aid granted to black spots should not exceed 2% of the Fund's total endowment. This latter will avert the uncontrolled channelling of the Fund's resources into interventions of a contingent nature.

It is also essential that some specific concern be shown towards geographical areas afflicted by high unemployment and long-term under-employment, given that under the provisions currently in force areas of industrial decline are favoured almost exclusively.

I finish, Mr President, with an appeal to the Commission and to the Council of Ministers to adopt the views of the European Parliament which will, I believe, endorse Mr Barbagli's excellent report. We wish to stress yet again the great importance of the Social Fund and the part it can play anew in promoting employment in the Community.

(Applause)

Mr Patterson (ED). — Mr President, regrettably, British membership of the European Community is once again an issue in a British election — at least in theory. I should therefore like to start by pointing out that the European Social Fund is one of the most demonstrably positive and hopeful aspects of the EEC. In financial terms, it has clearly been of benefit to my country. For example, since 1973 nearly 1 000 million ECU has been received to support training schemes in Britain and Northern Ireland, particularly training schemes for young people. Last year alone, the United

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Kingdom received 258 million, 151 million of it for youth training. Had it not been for this money, we know from government statements that it would not have been possible for many of these schemes and projects to have taken place at all.

The Fund, then, has been very valuable indeed in the past. However, certain defects in its structure become apparent. In time of recession, for example it is not obvious why special provision should be made for textile workers but not for workers in the paper industry. In particular, the requirement to keep a balance between expenditure under Article 4 expenditure and expenditure under Article 5 has proved unnecessarily constricting, and one of the problems which have yet to be solved in the 1983 budget is the fact that the Council of Ministers has failed to balance the payments it voted for youth training — quite rightly in my opinion — with balancing payments under Article 5 — something we shall have to correct in a supplementary budget.

For this reason, my group gives a very warm welcome to the reforms which the Commission is proposing. To begin with, we welcome in general the proposed new method of allocation. It will concentrate the Fund more precisely where it is needed if allocation is made on the basis of level 3 areas — counties in the United Kingdom — rather than the much larger regions. Even so, however, as the draftsman of the opinion of the Committee on Budgets pointed out yesterday, the Social Fund should not just be the training section of the Regional Fund. There are certain areas of operation where allocation should not be made entirely according to geographical criteria. For example, we support the Committee on Social Affairs and Employment in believing that projects for the handicapped should be considered on their individual merits and not entirely on a geographical basis. This, of course, accords more accurately with the way in which projects for the handicapped are actually organized; they do not necessarily receive training in the areas in which they live.

We also believe that the Commission is absolutely right in taking pilot projects where the criterion is innovation out of the general system of allocation, and we also believe that the Commission is right in making provision for black spots in areas with specially high unemployment. On both these final matters, however, we do not agree with the Social Committee that a limit of 2% should be put on either the pilot projects or on the black spots. This percentage should be determined entirely on the merits of the case. On the black spots, we have an important amendment to make concerning the criteria for qualification, and I should like to ask Mr Richard why he has chosen three times the national average as the criterion. First of all, it would surely be much more

communautaire to make it the Community average, and it would certainly be fairer. On a national basis, for example, a Greek black spot would only need to have 15% unemployed currently. A German black spot would need to have 30% unemployed, whereas a black spot in the United Kingdom would need 38%. Therefore, it would 30% better to make it the Community average rather than the national average. In addition, we also believe that three times the average is too high, particularly as we are talking about very small areas, the travel to work area. Twice the average would be more reasonable and we have amendments to both these effects.

I wish to make a number of other points. On the handicapped, the Social Fund is a training fund and it is clear that it should be available to support the handicapped who are being trained for some form of employment. We believe it would be a mistake to confine this exclusively to employment on the open labour market. In my own country, very valuable training and employment is provided by sheltered workshops for the handicapped, and we therefore support the Committee in amending Article 3(2d) to read: 'capable of earning a living'. That would bring in the sheltered workshops.

We are also concerned to ensure that voluntary organizations are not cut off from the Fund. They provide, certainly in my country, a very valuable adjunct to the work of governmental organizations. We therefore support the Social Committee in amending Article 5 (4) of the decision, so that the 30% of matching funds which would have to come from public authorities could also be provided by voluntary contributions.

Everyone in this Parliament agrees that the first priority of a Social Fund must be youth training. This is not merely, as Mr Richard pointed out yesterday, to help combat youth unemployment. It is to make sure that the young people have the skills to adapt themselves to changing technologies in the jobs of the future. We are therefore proposing an amendment that at least 65% of the Fund should be devoted to the training of young people under 25. In my own country, the government is shortly introducing an imaginative new youth training scheme which will fit in with the priorities of the Social Fund which we in this Parliament all agree with.

One of the effects of the Commission's proposals is that detailed lines of the budget are being abolished and quite rightly. There is, however, one drawback. Budgetary control by the European Parliament would clearly be less easy. We therefore strongly support the amendment to Article 11 of the decision, on the Committee of the European Social Fund, that the Bureau of the European Parliament's Social and Employment Committee should observe what goes on in that Social Fund Committee.

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My final comment, Mr President, is much the most important. As speaker after speaker has said, giving the Social Fund new tasks — and, quite rightly, the Commission is proposing to bring the 16-to-18-year olds into the Social Fund provisions — is no good without giving the Fund more resources. For this reason, we very strongly support the proposal that the Fund should be doubled in the 1984 budget.

Tomorrow the Commission will be presenting to us its preliminary draft budget for 1984. I trust we shall see that the imagination which the Commission has shown here in its revisions of the Social Fund regulations will be matched by the wisdom when it comes to its budgetary provisions. Tomorrow will tell.

(Applause)

Mr Frischmann (COM). — *(FR)* Mr President, the seriousness of the situation led us to hope that the Commission would make proposals corresponding to the needs involved and to its own responsibilities in the area of social policy.

We are forced to acknowledge, however, that the Commission's three documents on the operations and tasks of the next ESF in no way create the conditions for a true reform of the first Community instrument of social intervention.

The ESF is destined to remain an appendage of the ERDF, without any significant reduction in the serious distortions existing in the area of intra-Community regional development.

At a time when the European governments are becoming enmired in austerity policies at the expense of appropriations for vocational training, among other things, the reformed ESF will continue to be what it is: the semblance of a social policy in a context of crisis. As regards the first declared objective of ESF reform, that is, a greater flexibility in order to allow the Fund to adapt to changes in the job market, there is nothing which can lead us to believe that these measures will halt or even slow the increase in unemployment.

The greater regard for unemployment criteria demonstrated in the Commission's list of regions to receive aid on a priority basis undoubtedly fosters the illusion of vigorous action against unemployment, but the reality is less noble than the appearance. In the future support will go to the most backward policies, those most productive of widespread unemployment, while the efforts of governments seeking to limit the increase in unemployment will be ignored and unaided. The first list of Community regions to receive aid from the ESF, as drawn up in order of priority by the Bureau of Statistics, amply justifies this fear. The first French region, for example — overseas departments excepted — is in 54th place: this is tantamount to saying that for all practical purposes France will be excluded from the benefits of the reform.

Under these conditions, the question of the increase of ESF resources cannot be viewed apart from the criteria for intervention. It is important to know whether the measures support genuine efforts to fight unemployment or whether they merely second the austerity policies by allowing the governments to make substantial savings in the area of vocational training.

The motion for a resolution attached to Mr Barbagli's report, which essentially accepts the Commission's proposals for reform and particularly their regional orientation, cannot therefore satisfy us. The few positive modifications introduced by the Committee on Social Affairs and Employment in an attempt to improve the draft decision and regulation fail to compensate for the negative effect of the predominant criteria for the allocation of the Fund's resources.

The French members of the Communist and Allies Group are therefore convinced that there is room for another policy, a policy of effective Community intervention, to complete and broaden the action of the policies formed to combat the crisis and create jobs. With this in mind, we have tabled certain amendments. The ESF could be particularly useful in encouraging the gradual implementation of the long-awaited reform concerning the reduction of weekly working hours to 35. We will therefore pay special attention to the Assembly's reaction to our amendments, for this, in the last analysis, will determine our final vote.

Mr Vié (DEP). — *(FR)* Mr President, ladies and gentlemen, I feel particularly justified in beginning my speech with congratulations to Mr Barbagli on the tremendous amount of work he accomplished in preparing this report, congratulations which should in all fairness be extended to Mr Baillot and Mrs Maij-Weggen as well. Each one of them, in his or her own area, has presented a perfectly structured and very logical piece of work, and I can say right away that we are in full agreement with the general approach.

I cannot congratulate the other Community bodies, however. The problems of vocational training and unemployment affecting young people leaving school, women, or the handicapped, did not appear in our Community overnight. It would be highly desirable for our institutions to act with flexibility and effectiveness in order to avoid these difficulties in the first place instead of providing solutions which are inadequate and overdue.

In the few minutes at my disposal, I will simply express approval of the rapporteur's suggestions concerning the need for greater coherence between the measures taken in the context of the European Social Fund and the economic and industrial policies implemented by the Community itself. At the same time, however, I cannot help feeling that our colleague is being rather optimistic, for at the moment there is no sign of the appearance of a truly

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common industrial or economic policy. In the absence of such a framework, any intervention through the Social Fund tends to be action taken at random, and as such ineffective, for the resources available will never be proportional to the need. There is also a high risk that, apart from concerted policies which can be legitimately charged to the budget, we will return to the injurious attitude of *juste retour* which, if it were to persist in our Community, would effectively rule out any possibility of true Community action.

Our rapporteur is quite right to insist on the need to raise the question of vocational training and to call for the creation of jobs in consultation with the companies, particularly the small and medium-sized undertakings. I would like to emphasize this point, for in my opinion it is not sufficiently developed in the report, especially in regard to craft industries. And I think that, once again, all this can only be done in the context of a large-scale cooperative effort among the States to hammer out the framework programmes.

These are excellent guidelines for the construction of Europe, but they would be no more than a mirage if they proved to be structurally incapable of solving the basic problems now facing our peoples. You know we all know how serious these problems are and how much persistence and determination is needed to solve them. I hope that these proceedings will result in a contribution toward this indispensable goal of integration.

Mr Vernimmen (S). — (NL) Mr President, ladies and gentlemen, a proper serious debate on the future of the European Social Fund should really be based on three documents :

1. the opinion on the renewal of the Fund adopted by the Commission on 8 October 1982,
2. the Commission's proposal for a regulation to implement the Council's decision on the purpose of the Fund, and
3. the Commission's opinion on the status of the Social Fund Committee.

On point 1 I think we should concentrate on what is called the new index to replace the system of geographical selection. The components of this new index must obviously be determined on a homogenous and comparable basis between the Member States. On point 2, the purpose of the Fund, I think the specific measures are important, particularly pilot projects of a revitalizing nature. On point 3, the status of the Committee, the full Committee must be able to express an opinion on the draft budget. I also believe it necessary to have closer cooperation with both sides of industry in that area.

A substantial increase in finance is necessary in view of the continual rise in unemployment which afflicts the regions with poor infrastructures and which espe-

cially affects women, the handicapped and migrant workers. In determining the amounts for the European Fund the Council must pay serious heed to the European Parliament's recommendations, and that means a minimum of 10% of the overall European budget. Furthermore, there must be more effective and more democratic control of the use of the Fund's finance in 1983. Vocational training must remain the main specific area of activity for the Fund. Other Community financial institutions, such as the Regional Fund and the European Investment Bank, must make direct finance available for the creation of new jobs. The basic aim of all action in vocational training supported by the Fund must be to integrate young people and re-integrate the long-term unemployed into the work process. I should like to take the opportunity offered by this debate to draw attention again to the need for more effective coordination of Community means with structural aims within the Community institutions themselves. I welcome the step already taken here by the Commission to submit acceptable proposals, such as the integrated programmes. The job of the task force and the necessary staff for it should be strengthened. In contrast with my congratulations to the Commission on this progress I must express my great disappointment at the Council's statement just now. Finally I wish to congratulate our colleague Mr Barbagli on his objective report of discussions in the Committee on Social Affairs and Employment.

Mr Estgen (PPE). — (FR) Mr President, I would also like to congratulate Mr Barbagli on his exhaustive report on a most important subject, that is, the task of the European Social Fund. I welcome the new perspectives opened up by the planned reform of the Social Fund, a project which should gradually make this Fund into the instrument of a true Community employment policy and thus remedy the manifest inadequacies of Community social policy. The financial resources of the European Social Fund, which is an instrument of policy directly affecting our citizens, must be at least doubled for the 1984 budget, however. In this regard, I fully approve of the new suggestions for fighting unemployment, and I would like to submit certain observations to the Assembly concerning the unemployment situation in the Grand Duchy of Luxembourg.

I am quite aware that the Grand Duchy is in an enviable position in regard to unemployment rates. In fact, the job situation there is currently less unfavourable than it is in the other Member States. However, this situation can change at any time, owing to the swift decline of our principal industry, iron and steel. The future is looking increasingly ominous for this small country, which has little economic diversity and is generally lacking in other sizeable resources, if we exclude the banking sector.

Estgen

The massive increase in unemployment in the iron and steel industry, together with growing unemployment in the construction sector, could place Luxembourg in a very serious financial situation. If this were to occur, it is important that intervention through the Social Fund be a possibility. At this critical period in our history the government and people of Luxembourg have no intention of appealing to the Community fund and are resorting to national solidarity to solve their financial and economic problems independently, but it is nevertheless unacceptable for a Member State to be excluded *a priori*, even in theory, from Community support in a specific area.

Since the Fund is philosophically based on Community solidarity, there can be no question of summarily depriving a Member State of ESF assistance. This is what would happen, however, if Article 6, paragraph 3 of the draft decision were to stand. This provision states that the unemployment rate of an eligible zone, as determined by a competent authority, must be at least more than triple the national average. In the case of Luxembourg, for example, because of the decline of the iron and steel works located in the southern part of the country, the average national unemployment rate for this area is high; it is practically impossible, however, for this rate to attain to triple, or even double, the average national unemployment rate, for the territory is small and the two or three other areas we possess are only slightly industrialized and consequently have lower unemployment rates. In all countries the average rate of unemployment in the other zones should be taken into account instead of the average national rate. For this reason the six members representing Luxembourg, from all political groups, have tabled an amendment to this effect. We believe that this amendment will injure no other Member State and that the Economic and Social Committee is of the same opinion, and we hope that our Assembly will approve this amendment unanimously.

Mr Seligman (ED). — Mr President, I would like to deal with the question of mobility, particularly among young people. Young people without family commitments should regard the whole of Europe as a hunting ground for jobs. People do say to me: 'Don't mislead young people. Europe is a jungle where young people will only find trouble and no one will protect them from exploitation'. This is just not true. If young people have a speciality and a second language they can find very good jobs in Europe.

In order to verify this I went to France recently and visited several employment exchanges in town and country areas. I found a large unsatisfied demand for certain important categories of worker, for example, secretaries, computer programmers, catering trades. They all have a great many vacancies on the boards.

And to take advantage of these unsatisfied demands and re-establish some elasticity in the Community labour market, we must do two things. I would like the Commissioner to look into the possibility of establishing effective methods of rapid exchange of information between member nations of unsatisfied vacancies. Cedoc is hopeless at the moment. I think in Paris I found four vacancies through Cedoc in very menial jobs which no one would be attracted by and the thing is a laughing-stock — it is a joke.

I would like an up-to-date report from the Commission on the functioning of Cedoc and how it can be beefed up and made more effective.

Secondly, we must change the emphasis of our education syllabi to train people for mobility in the Community and to introduce compulsory language training at an early age and to make technology training also compulsory, in other words instead of the three Rs — reading, writing and arithmetic — let us have the three Ts — teledata, telematics and typing — and let us replace Cedoc with a broader system of vacancy notification.

The other point I would like to discuss is training of the unemployed — in other words, top-up training. It is not only young people who need training, adults also need training. I call it top-up training — I believe this is what is practised in Sweden. Sweden has compulsory training for anyone who is unemployed, as I understand it. So it is nonsense to think that people only need one period of education and training in their lives; industry and technology are moving so fast. Therefore, I would like to introduce into the Commissioner's thinking some sort of compulsory training for people, namely when they are unemployed. This is what we are doing in Crawley where we are developing an information technology programme which will train not only young people but adults also so that they have a real choice. There is no reason why training should stop once you have acquired a certain knowledge. The wider your training — and I think the Commissioner said this yesterday — the wider your choice. Therefore, training and education should be a continuous process.

So, I would like to hear from the Commissioner firstly what he can do about better notification of vacancies throughout the Community, so that people know where there is opportunity not on a monthly basis but on a day-to-day basis — we have got computers to do this, why should we not use them? — and secondly, to emphasize the importance of top-up training throughout a worker's career.

Miss de Valera (DEP). — Mr President, ladies and gentlemen, I would like to join with my colleagues in congratulating Mr Barbagli on his report. It is a sad admission on my part, however, as a Member of this House, that this Parliament must accept the responsi-

de Valera

bility and blame for the delay in discussing this vital report. There is an urgent and serious need for clarification in the area of aid and the allocation of such financial assistance in respect of young people. I must once again refer the question to the Commission representative, Mr Richard: does the Commission see the bulk of Social Fund resources for young people being directed towards the age group of 16 to 18 or the 18-to-25 year olds?

If such a fundamental change was to ensue, it would cause irrevocable damage to Ireland's entire training operations as 73 % of AnCO Social Fund aid is in respect of programmes for under 25s. I would propose that post-compulsory education school-leavers should be channelled through the vocational education system and AnCO training centres as this would be more effective and therefore most cost-effective. The main danger in the reconstruction of the Social Fund in the manner suggested is that the areas in the richer member countries with more resources to tackle unemployment could receive high priority, perhaps to the detriment of backward regions in the Member States, thus contributing to a higher degree of divergence rather than the desired goal of convergence in the Community.

Mr Vgenopoulos (S). — (GR) Mr President, up until now the activity of the Social Fund has been limited and sluggish, and in carrying through its objectives it is marked by operational rigidity because of the surfeit of legislation on which it is based and the complexity of its ratification procedure for applications.

President. — Mr Vgenopoulos, you will have to speak more slowly, otherwise it will not be possible to interpret.

Mr Vgenopoulos (S). — (GR) I would like to say that I believe that the new mechanism proposed by the Commission will simplify the Fund's structure and enable it to make an effective contribution to improving the employment situation and to promoting equality of opportunity for all workers. The classification of the areas of the Community in order of priority, in accordance with the criteria proposed, will help to prevent the ineffectual carving up of appropriations. Thus when applications submitted by the less disadvantaged areas are approved this will be fair, since applications from areas that are more disadvantaged will have been approved first.

I would like to mention the six priority areas which will head the list and will not be subject to the classification criteria. These six areas are characterized by more general problems of development, by a particularly severe and long-term imbalance in employment, but also by a high level of under-employment. Neither the Commission in its proposals, nor Mr Barbagli in his report, accord any special significance to this factor of under-employment, but it is remarked upon, however, in the opinion drafted by Mr Niko-

laou on behalf of the Committee on Regional Policy and which calls for a higher rate of contribution by the Fund in the six priority areas.

Concerning the extension of intervention by the Fund to cover new categories of beneficiary I totally agree with the priority given to young people, women, the disabled and migrants, since it is commonly accepted that persons in these groups are the main and most injured victims of the economic crisis. The inclusion of migrants as a category covered by Fund interventions is a very good thing because the problems and difficulties faced by workers outside their own countries are almost insuperable, but also because the Social Fund will thus be fulfilling one of its aims which is to promote the geographical mobility of workers envisaged in Article 121 of the Treaty.

The Social Fund must also play a more active role in supporting local job creation initiatives, particularly in respect of small and medium-sized undertakings, and in assisting the conversion of problem businesses into cooperatives.

I would also like to add one intervention category which, in my opinion, is very important, and which is absent from the proposals made by the Commission and from those in Mr Barbagli's report. This is the financing of social infrastructure projects, such as hospitals and children's playgrounds, etc. Such projects would contribute to the raising of living standards which is necessary in many areas of the Community, and would undoubtedly create new and stable jobs.

In this spirit, Mr President, I have tabled corresponding amendments which I hope will be accepted by the plenary, and in this spirit also we shall vote in favour of Mr Barbagli's report.

Mr Alavanos (COM). — (GR) Mr President, in view of your justified interruption of Mr Vgenopoulos's speech, in connection with the interpretation, I would like to raise a more general matter. There really is a problem with interpretation from Greek and, of course, the interpreters, who do what they can, are not responsible for this. I am afraid that the interpreting service is not manned with the required number of Greek speaking interpreters, and as a consequence, if we are to be understood by our other colleagues, we are compelled to say in the same time only half of what they can say in French, English, Italian or any other language. Therefore the least I would request of the Bureau is that it solve the problem of interpretation, and exercise its discretion with regard to the interruption of Greek Members because this problem really does exist.

President. — We shall look into this because I cannot offer you a solution here and now, but I have to say that no matter what the language it is very difficult for the interpreters to give a good translation if a text is being read out and the speaker is going too fast.

Mrs Cassanmagnago Cerretti (EPP). — *(IT)* Mr President, may I first express our sincere appreciation to Mr Barbagli for the skilful, dedicated manner in which he has executed the task entrusted to him, involving such a difficult, complex subject as the European Social Fund.

On the other side of the picture, Mr President, may I express our disapproval of the behaviour of the Presidency of the Council. It is inconceivable for anyone to come into this chamber and say nothing when they know that one of the items on the agenda for the next Council of Ministers is the question of the raising of the 1% ceiling, which has been called for by the Economic Committee, and which really would make it possible to implement new policies in relation also to the Social Fund.

That is the reason why we say 'yes' to the reform proposed by the Commission and by our rapporteur, in respect of those innovatory aspects of the report which are designed, above all, to simplify the way the Social Fund should function. These innovations will be to the greater benefit of both young people and the workers in small and medium-sized enterprises, including those operating as cooperatives, as well as the craftsman, trainers, and development agents, and will also facilitate operations to aid the handicapped and, in particular, the financing of voluntary organizations.

We support, Mr President, the new actions of the Social Fund on condition, however, that they are directed towards productive investment, since the Fund is not a welfare institution. We also consider that these productive investments should be subjected to careful checking so that a coherent Community policy will be apparent — not just a bunch of operators assigned to that kind of work. We want vocational training to be financed where the conditions for growth exist, and where that growth can be induced by the joint investment of regional, national and Community funds.

From past reports of the Commission on the activities of the Social Fund it can be seen that there were deficiencies and a lack of balance in the Community's treatment of the recipients of financial aid and in the geographical distribution of aid, as well as in the monitoring carried out. These are matters that the Commission itself openly discloses in the reports which accompany the proposals for amending decisions and procedures. We applaud this vigilant reforming approach, on the part of the Executive.

I have no time left to stress our support for the amendments put forward by the rapporteur, Mr Barbagli. I hope however that the Commission will take them into account.

Mrs Salisch (S). — *(DE)* Mr President, ladies and gentlemen, I thank Mrs Cassanmagnago for her very plain words just now to the Council. I myself have

also listened to the Council's statement in this Chamber with great interest and I feel that our current situation has been glossed over far too much. Two key words keep cropping up in our debate today: concentration and simplification. Does simplification mean that unemployment can be tackled on a wider scale? Does concentration mean that more categories of people will lose their claim to European Social Fund aid? Why cannot the Council tell us clearly and plainly how it sees the Social Fund's future working procedures? Surely it knows that this Fund is already oversubscribed now, that there is far more demand for Social Fund resources than the Fund can provide. That will not change after the reform either. Even with an improved structure, the Social Fund will remain inadequate. I cannot help feeling — and I say this quite clearly to the Council representative — that the Social Fund is being dealt with very arbitrarily, that the Fund is being regarded as a plaything for social policy-makers, and this by governments which are continuing as before to produce a shocking level of unemployment by the kind of economic policy they are pursuing.

What is the point of this statement, in which the Council tries to pretend that we will now be able to combat unemployment in the Community more efficiently simply because the Social Fund has been simplified or improved. No, the Council of Ministers will have to show very clearly in the course of this year whether it is prepared to increase the budgetary resources for Social Fund aid. The hundred percent increase on which Parliament has decided, partly as a result of my proposal, in order to combat unemployment will not be nearly enough. Mrs Cassanmagnago Cerretti is quite right. There will be a concentration of demand for Social Fund resources and we will not be able to deal with it. That is why I think that if it supports the reform of the Social Fund — which we in the Socialist Group do — Parliament must at the same time call on the Council to act, by drastically increasing the resources for Social Fund aid. What will you report to us in the Committee on Social Affairs at the end of your term of presidency of the Council? That you have finally decided on the reform of the Social Fund? That is a matter that has been going on for years, the Commission and Parliament have been working on it until now — and you want to tell our committee at the end of your term of office that the only social achievement is that you have finally actually decided on this reform? I think that is rather poor.

Ms Clwyd (S). — Mr President, I would like to associate myself with the remarks made by my colleague Mrs Salisch — I totally agree with her. Last year I was rapporteur for this Parliament on the social sector. We managed to get a doubling of the Social Fund through the Committee on Budgets, through the Committee on Social Affairs and Employment, and failed to get it through this Parliament. So there is not only a lot of

Clwyd

hypocrisy in the Council of Ministers, there is a lot of hypocrisy in this Parliament as well: the Parliament itself failed to support a doubling in the size of the Social Fund. We were asking for a very modest percentage of the total size of the budget of this Community, we were asking only for 10% and the Parliament itself failed to back these proposals. I hope the same is not true this year. Again we have had the rhetoric, we have had the same hypocrisy by Members of this Parliament who call for measures to deal with unemployment knowing that the size of the Social Fund is totally unable to cope with the size of the problem that faces us in this Community.

Also my colleague Mr Patterson talks about the issues in the general election which is soon to take place in Britain. He suggests that membership of the European Community is one of the major issues. I tell him that that is not the case at all. The major issue in the general election in Britain is unemployment, unemployment caused by his government which has doubled the size of unemployment over the last four years since coming to power. That, Mr President, is the real issue in Britain and I am sure that the electors on 9 June will show precisely what they think of the policies of his government.

(Mr Patterson asked to speak)

President. — Mr Patterson, do you want to ask Mrs Clwyd a question?

Ms Clwyd (S). — Mr President, Mr Patterson can ask me any question he likes after I have finished.

Mr President, I want to talk briefly here in the time I have left about the European Social Fund and its reform. I think the major reform would be a doubling of the size of the fund, but it cannot deal with the problem of unemployment facing the Community.

I want to express my deep concern over proposals which are being made to extend the scope of the European Social Fund to areas which are not recognized by national governments as assisted areas. If the United Kingdom Government is willing to extend the definition of assisted areas, then those areas would qualify for help from the Social and Regional Funds without difficulty, but it is hypocrisy for the United Kingdom Government on the one hand to refuse to extend assisted areas and on the other to ask the Community to change its rules to allow non-assisted areas to be treated as assisted areas for Social and Regional Fund purposes.

It would be wrong, Mr President, for the Commission to allow itself to be used in such a shabby, political manoeuvre by the British Government. It is felt that the area which I represent in Wales for example will be gravely at a disadvantage if some of these reforms go through. Surely, one should look at what the reforms will mean in practice. In fact, Mr Barbagli, in his first opinion on the reform of the Social Fund, did

ask specifically whether the Commission had carried out any computer predictions on the proposed new reforms. The answer, of course, was, no. The money, I believe, can only be found if we go ahead with these changes by cutting back the level of help now given to areas with the greatest problems, such as Wales. This would be a blow to the areas of greatest need and would reduce the impact of the Social Fund so that instead of aspiring, as it does, to making a meaningful contribution to solving social problems, the contribution it could make in any given area would be so small as to be merely cosmetic.

We urge the Commission to look again at the proposals to protect the interests of areas in greatest need, such as Wales, and not to be conned by the British Government into agreeing reforms which are only going to help the British Government reduce its public expenditure, and in fact is not going to help the unemployed in any way whatsoever.

President. — Mr Patterson, you can only ask a question if the speaker gives way. Mrs Clwyd did not want to give way, so I suppose you will have to put your question to her in the corridor.

Mr Patterson (ED). — Mr President, she said 'after I have finished'; she has now finished speaking, so may I put my question now?

President. — Her speaking time is over so you will have to find another solution.

Mrs Duport (S). — *(FR)* I am a member of the Committee on Social Affairs and Employment, and since my arrival I have made an effort to understand how the Social Fund is used. I have seen that worthwhile projects have been undertaken; most of them involve social innovations, and what I intend to say does not mean that I underestimate their importance, whether it is a question of the integration of the handicapped into working life or of support for rural populations, like the Ardèche programme in France. But, in view of the results, I will say that we should not consider the Social Fund as an instrument for the creation of jobs; it cannot take the place of the common industrial policies which do not exist.

This is why I regret that in spite of repeated requests to this effect the Commission made no evaluation of the measures implemented before the reform of this Fund. The results of such an evaluation would probably have led to proposals other than those we will adopt in the absence of more specific information. Our colleague Mr Baillet made the point very well when he spoke on behalf of the Committee on Budgets; the effectiveness of the Social Fund is linked to the potential of the regions where it is used; it should not be considered as a financial transfer — on the contrary, it should provide support for a developmental measure.

Duport

In this regard, the integrated operations which combine the action of the various Funds in a coherent manner represent a step forward, but they give no impetus to development. In our own less-favoured regions, as in the Third World, such development can only succeed if it is 'self-propelled' — a fashionable term perhaps, but meaning that we should not assist, but rather join in a movement powered by the economic and political forces in each country.

The Social Fund must continue to support the least-favoured categories. I approve of its use in certain areas not included previously, such as the reduction of working time and aid for recruitment. Aid concentrated solely on the geographical priorities is unsatisfactory because, as has already been said, it tends to compete with the ERDF. Despite the adjustment effected by taking sub-regions into account, it is unlikely, in view of the existing criteria, that certain zones will be included, even though they may be hard-hit by unemployment. I will therefore vote in favour of this reform of the Social Fund, but with some reservations and some regrets, and in the hope that the Assembly will improve the report by adopting certain amendments.

IN THE CHAIR : MR VANDEWIELE**Vice-President**

Mr Richard, Member of the Commission. — Mr President, may I say that I have listened to this debate with interest and attention. I think it has revealed yet again — if indeed it needed revealing — some of the main difficulties that there are in the way of the Commission's trying to produce what we think is a sensible reform as far as the Social Fund is concerned. I welcome this debate. I think it has been useful. I think, if I may say so respectfully to the Parliament, that it was a wise decision on Parliament's part to devote a certain amount of parliamentary time to this subject. I am impressed by the large number of thoughtful and constructive comments that have been made.

It is obviously impossible for me to deal with the specific points of detail that have been raised by all the speakers. I think almost everybody who spoke, at some stage raised specific points of detail and asked for the Commission's reaction on them. Some I can deal with now, but others, I am afraid, I shall try and deal with in the rest of my speech. But I do not intend to go into any great detail. What I do intend to do is to try and isolate trends in the debate — concerns if you like — that a number of speakers have expressed and try and deal with those.

Let me start off with one or two specific points. Mr Pasmazoglou raised two or three points of detail in

relation to Greece. I heard what he said. I will consider the matters and I will write to him setting out the Commission's views.

Mr Patterson questioned me on two or three specific points : why not the Community average in relation to the criteria for the black spots, and why not twice rather than three times that average? Mr President, those are points of view which are not entirely novel, Mr Patterson will not be surprised to hear. At the moment they are the subjects of intense discussion — I think that is a fair way of putting it — in the Council working group and in Coreper. As far as the Commission is concerned and as far as my mind is concerned there is a certain degree of openness in relation to those issues. Obviously, in the course of these negotiations, it would be wrong of me now to preempt any position which the Commission might wish to take up within them. But I have heard the points and, to a certain extent, I take them. He asked me whether there should not be a specific provision stating that 65 % of the Fund should be reserved for youth. I have to tell him that it depends how you look at the figures. If you look at the amount of the Fund that is actually spent on youth in the sense of money arriving for young people's projects, not money which is earmarked specifically for young people, in the first case, I think something like 70 % of the Fund already goes in the direction which Mr Patterson wishes it to go. But what I am not prepared to do is to say that 65 % of the projects financed by the Fund should have, so to speak, a young people's label on them. I do not think, frankly, that would be a sensible way of dealing with it.

Mr Seligman asked me some points about Cedoc. I am bound to say to him that I am not aware that it is in the parlous state he claims. Again, I have heard what he has to say. We will look at it. I will see if it can be revised. If he has views as to how it should be revised, I am open on that issue, as on others, to receive representations.

I was again asked a number of questions about the position of the handicapped; whether it was sensible to regionalize the handicapped interventions. I have to say to the House that, to a very large extent, they are already regionalized. The fact of the matter is that the jam of the Social Fund is spread so thinly at the moment that in relation to the handicapped, what we actually do finance are, broadly speaking, projects in the super-priority regions, plus innovative projects if they occur outside the super-priority regions.

Now, that is a policy which I do not think, frankly, is going to be changed unduly by the proposed reforms.

Mr President, may I start off the main part of my speech by congratulating Mr Barbagli on his report and on the useful suggestions it contains.

Richard

Parliament, I think, has shown itself to be fully aware of the quite exceptional significance of the Social Fund to the Community as a whole. Although it represents still only a small fraction of the total Community budget, it is the one financial instrument in the Community which has the most direct relevance to the burning problem of unemployment. Of course we shall not cure unemployment by the use of the European Social Fund. Nobody save a fool or a knave would pretend that we could, and certainly I, as the Commissioner responsible for administering it, do not pretend that we can cure unemployment by using the Social Fund. What I do say is that we can make a contribution, and it seems to me therefore, that in a situation in which money is tight, as it is bound to be tight, and in which we therefore have to consider where you can best put your money to make that limited contribution, it is very important that we get our priorities right and indeed that we have a fund which is sufficiently flexible to be able to express these priorities.

One other thing about money. We announced yesterday that as far as 1984 is concerned, the Commission is asking for an increase in the budget of the Social Fund of just over 40% on the 1983 budget, so that it will be a fund of 2 400 million units of account: in percentage terms, that would be nearly 8.4 % of the total Community budget. I know that that is not enough to satisfy the Parliament. I shall be revealing no secrets to the Parliament if I say that it is not enough to satisfy me. On the other hand, I have to say to the Parliament that you are a political organism, the Commission is a political organism, the Council of Ministers are ten political organisms, not one. One therefore has obviously got to pay some regard to budgetary stringencies and to the difficulties that Member States may find themselves in.

I think it is true, however, to say that that is where Parliament has its most decisive rôle to play as far as the budget is concerned. In its opinion on the review of the fund, the Commission has made it clear that we see the review as an opportunity for a serious reconsideration of the aims and structure of the Fund. Not only is there the need for a drastic simplification of the Fund in order to enable it to cope with the increasing resources that all of us hope to obtain from it, not only is there the need to ensure greater solidarity and a more concentrated use of Community resources in areas of greatest need; there is also the need to reconsider the style and the nature of Social Fund interventions in order to promote more forward looking employment measures in Member States. I think these have to include a much greater emphasis in the future on job creation than in the past.

On this particular issue, as on others, I am very pleased to note that the composite report by the Parliament's Committee on Social Affairs and Employment demonstrates a close identity of views with the Commission. I am indeed impressed at the way the

Parliament has understood both the strengths and the weaknesses of the existing mechanisms of the Fund and has also understood the move towards a more integrated or unified structure for the Fund.

I am grateful to the Parliament for putting the emphasis on a number of key issues such as the need to stimulate job creation — particularly for the unemployed, and also through the reorganization or reduction of working time; on the need to develop vocational training on the basis of *alternance* and taking account of the impact of new technologies; on the importance of specific assistance in terms of training and employment aids and technical advice for small and medium-sized enterprises, which in our view, and probably in that of most people now, hold out the strongest potential for job creation; and also on the link between Social Fund interventions and Community action programmes for women and for disabled people. All these are issues which have been raised from various parts of the House in the course of this most interesting debate.

Many of these issues can, in our view, be dealt with more appropriately in the framework of the annual policy guidelines than in connection with adaptations to the legal texts themselves.

I think that is an important distinction on which I hope the House will come some way with me. It is because we consider that many of these issues can be dealt with more appropriately in the framework of the annual policy guidelines that I do not wish to comment in detail on all the proposed amendments to the legal text put forward by Parliament. I am advised, Mr President, by those who know more about these matters than I do, that legally it is not, in fact for the Commission to take a formal position on those amendments, since the draft legal texts annexed to the Commission's opinion did not constitute formal Commission initiatives in the sense laid down by the Treaty. On the other hand, having said that that is the legal position, what I would like to do is to comment on some of the main points where Parliament's views and the Commission's views would appear to diverge. I stress the word *appear* advisedly, since I don't believe that on analysis there are any real major disagreements on substance. The disagreements are, I think, if anything, ones of tone and detail rather than fundamental ones.

Let me start therefore with young people. I think there may be some confusion here. A number of amendments are designed to ensure that Fund aid is available to all young people under 25 seeking work. It was always the Commission's intention that a high priority should continue to be given to young people. Youth unemployment is, after all, one of the most disturbing aspects of the current situation. At the same time the Commission wishes to draw attention to its proposals for an extension of the Fund to enable it to support the implementation of training provisions for all school-leavers immediately after the end

Richard

of compulsory schooling in line with the Commission's proposals in its communication on vocational training in the 80s. The Commission can therefore agree in principle with Parliament's amendments on this point, but we consider that many of them are already covered by the draft texts already submitted.

May I deal with a point raised by Miss de Valera. It is certainly not the Commission's intention that the effect of extending Fund intervention and capabilities to the 16 to 18 year old age group should be discrimination as between that group and the group between 18 and 25. As I think the honourable Member pointed out herself yesterday, it is very interesting that the statistics of youth unemployment at the moment show that only one-fifth are actually school-leavers and that it is not a question of moving the problem on two years. The fact of the matter is that four-fifths are now between 18 and 25 and one-fifth is between 16 and 18. It is therefore no longer, as it was once conceived to be, purely a question of how you effect the transition from school on the one hand to working life on the other hand. It is now a problem of youth unemployment extending from 16 right the way through to 25, and indeed a problem of adult employment once you get beyond 25. It is certainly not our intention to produce the sort of discrimination that the honourable Member is afraid of.

I would add, however, that the Commission does not see a role for the Fund in promoting vocational guidance within the secondary school system itself. We have a separate programme specifically concerned with the transition from school to working life, which concerns the school sector in a way that is complementary to the action of the Social Fund in the labour market itself.

I now turn to the participation of women in schemes supported by the Social Fund. I am sensitive to the ideas lying behind the various amendments that have been tabled and to some of the arguments that have been raised, particularly by Mrs Maij-Weggen, in this debate. I must point out once again, however, that the Commission does not consider it practicable to attempt to use the legal texts governing the operation of the Fund as a way of changing the situation of women within the Member States or of ensuring that the Community's equal treatment directives are adhered to. As beneficiaries from the Fund's interventions women now represent about 39% of the total. It is a percentage which is comparable with the average rate of female participation in the labour force as a whole though it is not comparable to their rate of participation in the total unemployed. That I admit, but the situation is not as bad as it might seem if one looked only at the number of women that benefit from the special positive action measures and ignored all the rest of the action of the Social Fund.

The problem in future, in my view, lies essentially in encouraging greater female participation in individual

training schemes which are theoretically open to both men and women rather than in evaluating the total number of women benefiting from Social Fund support. We will be looking into this question more closely when it comes to elaborating the guidelines. In the meantime, I assure the House — and this is a point that has been raised from time to time in the last two or three years, or since I have been here at any rate — that child-minding expenses, when they are an integral part of a training scheme supported by the relevant public authorities in Member States, do now already constitute eligible expenditure for the operation of a training scheme, and would continue to do so according to the Commission's proposals.

Mr President, may I turn briefly to the amendments regarding the reorganization and reduction of working time. I am totally in agreement with the idea that the Fund should support job creation measures based on work-sharing agreements. At last month's special plenary part-session I gave a fairly detailed answer, I thought, to Mr Ceravolo's question on this subject, pointing out that the Fund already had the means — for instance, through its provisions for recruitment subsidies or training aids — to support work-sharing initiatives which resulted in the creation of additional employment. I would like to go much further in this respect, of course, but this will depend largely on the way the Member States themselves make creative use of Social Fund training and employment aid. I will certainly consider how the Fund guidelines can be used to promote development in this direction. Furthermore, in the recent Commission communication on youth employment, we specifically indicated the need to launch some experimental schemes through the Social Fund, involving job creation for young people through the reduction of working time.

Finally this brings me to the question of innovatory action in general and the Parliament's comments on Article 3 (2) of the Commission's draft for a new basic decision on the Fund. I am a little saddened to see that on this issue the Parliament is suggesting putting a fixed ceiling on the proportion of total fund resources to be devoted to innovatory action by the Fund. I am fairly sure that this Parliament does not underestimate the importance of building up inside the Fund a much more serious approach to policy innovation involving greater attention to evaluation and to exchanges of information. This means moving on from the simple financing of *ad hoc* pilot projects which happen to be submitted to the Fund towards more structured policy interventions, such as those envisaged in all the latest Community action programmes regarding training and employment policy including those concerning women, disabled people and young people.

Now we do not envisage that this special section of the Fund should absorb a large proportion of the budget available. The normal annual budgetary proce-

Richard

dure rather, we feel, than a specific legal budgetary ceiling should be perfectly adequate to ensure that the resources made available for this section were appropriate to the needs.

Mr President, may I conclude by making an appeal to the House. We will not get the Social Fund review, and we will not get a sensibly reformed Social Fund unless and until the Member States themselves are all prepared to give a little on the position that they at present hold some of them indeed passionately and dearly, and many of which have been exemplified in the debates that have taken place in this House yesterday and today.

Let me deal with this question of regionalization because it is a thread, in a sense, that has run through this debate. The Social Fund cannot be merely an instrument of Community regional policy. As somebody said, the Social Fund is not the training section of the Regional Fund. We are not in business to do that. On the other hand the Social Fund cannot operate without a strong regional orientation. Those are two principles which I do not think on analysis and in practice actually turn out to be contradictory. In practice there may not be a great deal of difference but while I could not agree that the regional orientations should be paramount I equally could not accept that they should be ignored.

What I do not think the House can expect the Commission to do is to undertake to resolve the different geographical and indeed ideological views on the whole question of the review of the Social Fund. We cannot be expected to resolve these major questions of regional policy, regional differentiations within the Community, merely when we are concerned with the review of the Social Fund. We produce proposals which we believe will in practice go a long way towards resolving these difficult problems. I hope the proposals will not get strangled in this House because one group or another group feel that either there is insufficient emphasis on regional orientation or, on the other hand, that there is too much emphasis on regional orientation. The two have to go together if we are to get a Social Fund which is reviewed in a way which enables us to take the money we have got which we know is limited, to apply it in accordance with a sensible set of priorities in those areas where the greatest need is and also in relation to the groups of people who are in greatest need.

Mr President, I apologize for having spoken so long to the House, but I hope the House will appreciate that as far as I am concerned the review of the Social Fund is a matter of the most intense importance. It is something after all, which we do not do very often. It is therefore important that we should get it right. It is also, I think, right and sensible that Parliament should have a full exposure on the part of the Commission of their thinking on the issues which Parliament has raised.

(Applause)

President. — The debate is closed.

The vote will take place at the next voting time.

3. Human rights

President. — The next item is the report (Doc. 1-83/83/I) by Mr Israël, drawn up on behalf of the Political Affairs Committee, on human rights in the world.

The following oral questions were included in the debate :

— by Mr Denis and others, to the Foreign Ministers of the ten Member States of the European Community, meeting in political cooperation (Doc. 1-188/83):

Subject: Death sentences on three members of the ANC

In view of the constantly growing number of death sentences passed on militant political and trade union figures in South Africa (the most recent being those passed on Thelli Mogoerane, Jeriy Mosololi and Marcus Motaung, members of the ANC, an organization which has been outlawed in South Africa although it has observer status at the UN) set against a background of the constant violation of human rights by the racist regime in Pretoria, what action do the Foreign Ministers intend to take to contribute to the international effort aimed at putting an end to the system of apartheid in South Africa and ensuring respect for human rights and, in particular, what action do the Foreign Ministers intend to take to implement the resolution adopted by the EEC/ACP Joint Committee in Salisbury?

— by Mrs van den Heuvel and others, to the Foreign Ministers of the ten Member States of the European Community, meeting in political cooperation (Doc. 191/83):

Subject: Death sentences and executions in Malaysia

Since 1980 at least 112 people have been arrested under the State Security Act and charged with having put the security of Malaysia at risk. 31 people have already been put to death under this legislation and a further 7 people are in imminent danger of execution. All possible forms of legal appeal have been exhausted.

Following the representations made by the ten Member States under the Belgian Presidency to the Malaysian Government on behalf of the victims of the Escar (Essential Security Cases Amendment Regulations), can the Foreign Ministers say :

1. What has been the reaction of the Malaysian Government on this issue ;

President

2. What further steps do they propose to take to save the lives of the political prisoners sentenced to death in Malaysia?
3. What link do they see between the violations of human rights in the various ASEAN countries and the Community's trade relations with those countries?
4. Are they prepared to propose to the Malaysian Government that the Community should adopt a certain number of those arrested under the Escar but not yet sentenced?

— by Mr Pöttering, to the Foreign Ministers of the ten Member States of the European Community, meeting in political cooperation (Doc. 1-194/83):

Subject: Fresh wave of prosecutions of Orthodox Christians in the Soviet Union

According to Keston College, a British institute for the study of religion in Communist countries, a further wave of court cases against Orthodox Christians is imminent in the Soviet Union. Those involved include the human rights activists Zoya Krakhmalnikova, Edmond Avetian, Rafael Papayan and Georgi Khomiotsuri.

Are the Community foreign ministers prepared to intercede with the Soviet authorities on behalf of those concerned?

Mr Israël, general rapporteur. — (FR) Ladies and gentlemen, the conscience of Western Europe is too easily appeased. To establish Europe's political philosophy, it is not enough to manage European affairs, to try to overcome the economic crisis, to proclaim the dream of European happiness applicable to all humanity.

We are strong in our conviction that it is for our Parliament, elected through universal suffrage by the ten peoples of Europe, to proclaim the size of the disparity between the ideal of human rights as it is apparently understood and the concrete reality, the heartbreaking reality experienced on all the continents by thousands who suffer in flesh and spirit from the deprivation of these rights.

Despite the difficulties inherent in such an undertaking, despite the very real risks and the problems created in Community foreign relations, we felt it was urgently necessary to demonstrate that the popular representation of Western Europe will not overlook what is going on in the world: torture, disappearances, and summary executions in Latin America; massacres of entire peoples in South-West Asia; in black Africa, disregard for the individual in the name of a perverted religious ideal; fanaticism, hate for civilization, and above all, Mr President, on the European continent at our very doorstep, the perpetuation of a brutal regime, annihilating the hopes and freedoms of several million people who, like all the peoples of the world,

aspire to dignity, to freedom of thought, of lifestyle, of political opinion.

Certainly, the European Parliament has no intention of setting itself up as an international court of human rights. However, it cannot, by its silence, assume complicity in the gross and systematic violations of human rights which affect the very development of humanity. In particular, those governments which maintain with the Community economic and cultural relations profitable to both parties must be made aware that, in the view of the European Parliament, they will from now on be obliged to choose between friendship with Europe and the continuance of practices unworthy of the concept of humanity.

We believe that it is time for the European Community to define a true human rights policy, that is, 'a general attitude and a series of concrete actions directed towards the effective implementation of the principles defined and accepted by the entire international community'. The instruments of this policy should include the proper management of economic aid to governments whose behaviour in the area of human rights is not above reproach. There is certainly no question of punishing the people for the way in which they are treated by the governments. Emergency food aid is a categorical imperative. But the Community's contribution must reach the ones who need it, not the privileged members of the regime, or its armed forces. Economic support from Europe should not be used to compensate for the depravity of the authorities. These are principles which, in our opinion, should guide Community development policy, which should continue to be generous and enlightened.

Some day Europe of the Ten will indeed be obliged to incorporate its concern for the international protection of human rights into all negotiations undertaken on the economic, strategic, or cultural level.

Let the Community approach be quite clear. We have no wish to be, nor can we be 'Eurocentric'. We know that certain rights are viewed in the countries of the Third World as luxuries reserved for the West. For this reason, while maintaining that human rights are indivisible, we thought it necessary to define the basic rights valid for all of humanity, regardless of political options, types of regimes, or extent of social development.

We believe these basic rights to be as follows:

The right to life — the most firm and undeniable of rights. Human life is inviolable: it remains the absolute which must govern all human conduct. Thus war and warlike actions, the true bane of human existence, represent the most flagrant violation of this principle. Even in cases of armed conflict, the respect for life must be maintained, as much for one's own sake as for that of the enemy. War crimes against humanity must equally be condemned. By the same token, the

Israël

fight against hunger and the fight for world health are unconditional imperatives.

Second right : respect for human physical and moral integrity, which implies the banning of inhuman or degrading treatment such as torture or enslavement, is essential and cannot be suppressed in the name of „raison d'état" or a pseudo general interest.

Third : the right to be judged by an independent court in a fair trial is equally basic. The number of world-wide politically motivated disappearances is horrifying. The number of political figures assassinated by opponents, sometimes in the name of governments having all the attributes of sovereignty, is a moral scandal. The mental injuries inflicted upon persons interned in psychiatric hospitals for mere crimes of opinion are a disgrace to humanity.

In the light of these basic rights, the picture we are obliged to present of human society is not encouraging. The co-rapporteurs who devoted their talent and vigilance to this general report will speak in greater detail of the running sores which disfigure our civilization. An Italian Socialist, Mr Cariglia, a Dutch Christian Democrat, Mr Penders, and his German colleague, Mrs Lenz, a British conservative, Mr Prag, a Dutch Socialist, Mrs Van den Heuvel, and an Italian Liberal, Mr Gawronski, have joined with a French Gaullist to speak on behalf of all of Community Europe, denouncing crimes, torture, and deprivations of justice wherever they occur, making no concessions, subject to no political preconceptions, simply because they are conscientious men and women. Let us offer them our warmest thanks.

The picture to be presented to you is such as to excite sorrow and despair, but nothing will dissuade the peoples of Europe and their representatives from expressing their political will in this regard. We will denounce the disregard for peoples and individuals, gratuitous hate, crimes and deprivations of liberty wherever they are gross and systematic, and we will try to oppose them whatever the consequences to ourselves.

To the countries which signed the Lomé Convention, we say that they share with us the same concept of man, in his diversity, and consequently the same concept of basic human rights. For this reason what is happening in Ethiopia, in Guinea, in Uganda, and in Surinam is incompatible with normal relations between the ACP countries and the European Community.

To the Latin American countries, particularly El Salvador, Guatemala, Argentina, Chile, Cuba, Paraguay, Uruguay, Nicaragua, and Brazil, where ordinary fascism is spreading and where foreign intervention is manifest, we say, in the name of our common European tradition that the gross and systematic violations of human rights which are occurring there must stop.

To the countries of the Near East, torn by endemic warfare, we say that peace is a duty and a generator of freedom.

To the countries belonging to the great Islamic tradition, we say that there is no divine will apart from the happiness of the individual ; to Iran, in particular, we say that torture and execution are practices unworthy of this tradition.

To the countries of Asia, particularly to Vietnam and to the government of Afghanistan, we express the disapproval and condemnation of the European Community, as pronounced by its popular Parliament.

Finally, to the countries of Eastern Europe, we proclaim the identity of the European condition, from the Atlantic to the Urals, and we invoke the right of these European citizens to freedom of thought, of movement, and of self-determination.

Mr President, we believe that beneath their superficial differences men are essentially the same everywhere, and that the mystery of the life of the most obscure individual is as important as the mystery of the life of all humanity. We are convinced that the fate of the billions of individuals who inhabit our planet is unique, and that men are dependent upon one another. For these reasons, we view human rights as the fundamental truth underlying the political struggle.

Mr Mertes, acting President of the Council. — (DE) Mr President, ladies and gentlemen, in its report on human rights in the world the European Parliament's Political Affairs Committee has made an especially commendable contribution to promoting one of the essential preconditions for peace. Peace must be based on human dignity and human rights if it is to be just and lasting. I therefore welcome the fact that this matter is being discussed in the European Parliament today. It is part of the tradition of this Parliament to work for the respect and protection of human rights.

This year will see the 35th anniversary of the United Nations Universal Declaration of Human Rights. Yet we find that in many parts of the world human rights are being violated, commitments embodied in international and regional human rights documents are not being observed and the duty to work together to assert human rights which arises out of the United Nations Charter is being ignored. It must be a cause of great concern to us all to see even the most elementary human rights — the right of the individual to life, freedom and security — are being disregarded and that violations of human rights are increasing rather than decreasing. The report on arbitrary executions and summary executions which the Convention on Human Rights recently submitted lists 40 countries in which such executions take place. Torture and other forms of inhuman treatment are, unfortunately, also very widespread. The number of persons in prison for

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their political convictions or their race, religion or ethnic origin is estimated at more than one million. Political prisoners are often imprisoned without legal trial and under conditions which are in breach of elementary human rights, or are detained in psychiatric institutions.

Another very frequent form of serious breach of human rights is the forcible or non-voluntary disappearance of individuals. The misery this causes those concerned and their families, at this very moment when we are sitting here, shocks us, especially since these are often people who were not in the least involved in the political activities which gave rise to the repressive measures. This deplorable situation must not be accepted.

Let me say a few words on what is being done and can be done to combat breaches of human rights, to promote the realization of human rights and to increase their protection. The protection and promotion of human rights are a constitutional responsibility of each individual State within its territory. But they are also a legitimate duty of the international community. In spite of all setbacks and disappointments, people are becoming increasingly aware of the need for worldwide solidarity and common responsibility in this area. Many people are working to promote human rights, either individually or through national and international human rights organizations. They also give aid in specific individual cases. Here I am thinking of, for instance, Amnesty International and the International Human Rights Association. They have managed to have large numbers of political prisoners freed and helped many persecuted individuals.

No State can perpetrate serious and lasting infringements of human rights any more without attracting the critical eye of the international community. These are important signs of progress. Moreover, in the years following the second world war, effective bases were created at international and regional level for the promotion and protection of human rights, after the experiences of that war and the pre-war years. In 1945 when the international military court of the victors in Nuremberg confronted leading figures of the criminal National Socialist regime with its infringements of and crimes against human dignity, a certain Herman Göring thought he could excuse himself as follows: 'People seem to forget that Germany was a sovereign State and that its legislation within the German nation was not subject to the jurisdiction of foreign countries.'

Ladies and gentlemen, this sort of defence, which refers to the sovereignty and internal legislation of States in order to justify infringements of human rights and crimes against humanity, must become a thing of the past.

(Applause)

Effective bases for the promotion and protection of human rights were created at international and regional level in the years following the second world war. Of those created by the United Nations, besides the UN Charter and the Universal Declaration of Human Rights of 1948, two international human rights agreements which entered into force in 1946 deserve special mention. They are the Covenant on Civil and Political Rights and the Covenant on Economic, Social and Cultural Rights.

Article 1 (1) of these two international human rights covenants reads the same and emphasizes one human right of vital importance to lasting peace in Europe and the world: the right to self-determination of all peoples, which is inextricably bound up with the human rights of all individuals, a fact to which Pope John Paul II explicitly referred in his first Encyclical and again and again later.

The text of these two human rights covenants states that all peoples have the right to self-determination. By virtue of that right, they shall freely decide their political status and organize their economic, social and cultural development in freedom. The link between peace and self-determination as a human right is also referred to in the letter which the Brandt government in Germany forwarded to the governments of Moscow and East Berlin as an element of the German-Soviet agreements of 1970 and the 1972 internal German agreements. In line with the international human rights covenants and with the agreement of all the Member States of the European Community, it states that it is the policy of the Federal Republic of Germany to aim at a situation of peace in Europe in which the German people can regain their unity through free self-determination.

Since the list of principles in the Helsinki Final Act also attaches such outstanding importance to human rights, especially the right to self-determination, with a view to achieving security and cooperation in Europe, I think it is the duty of the German president to recall, here in the European Parliament today, this link between human rights, self-determination and peace, mindful of the people of Eastern Europe and that part of the German nation now living east of the Iron Curtain.

May I also refer you to other conventions drafted by United Nations committees, especially to the draft convention against torture, which may be finalized at the 40th meeting of the Human Rights Commission in Copenhagen next year, and the draft convention on the human rights of immigrant workers and their families.

On a regional basis, free Europe in the form of the Council of Europe has also entered the field of codifying human rights. Here I am referring to the truly exemplary European Human Rights Convention. In it

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the Member States of the Council of Europe commit themselves collectively to protect the most important basic rights. For the first time sovereign States have made themselves subject to an international control mechanism on human rights questions. This willingness to be controlled is a sign of a clear conscience and of the effective protection of human rights.

The European Human Rights Convention not only gives the governments the right of complaint but also gives each individual citizen and legal person the right to bring proceedings before the European Court of Justice and the Human Rights Commission, under an orderly legal procedure. The Helsinki Final Act of the 1975 Conference on Security and Cooperation in Europe also embodied the respect for human rights and basic freedoms in its declaration of principle. All 35 participant States undertook to promote the rights arising out of the dignity of man and to respect them in their relations with each other. Human rights have thus become a legitimate subject of CSCE proceedings and of relations between West and East, which can no longer be dismissed on the pretext of non-interference in domestic matters.

Unfortunately, the CSCE has not managed to set up institutions and procedures to protect human rights such as those in the Council of Europe. But CSCE Review Conferences offer a chance to review this matter and to establish the extent to which the participant states have fulfilled their obligations under the Final Act.

This is what happened at the Madrid Review Conference, in a wide-ranging and critical manner. Review conferences offer an opportunity to try to improve human rights provisions even more and for the 35 participant states to agree on measures to improve their implementation.

More efforts should be made in this direction in future. The institutions and procedures which have been evolved to date within the United Nations still lag behind the exemplary system of the Council of Europe. Apart from the General Assembly, the Human Rights Commission is the United Nations' most important political forum for human rights, together with the Human Rights Committee which is responsible for examining country reports and dealing with individual complaints under the Covenant on Civil and Political Rights.

Furthermore, a confidential procedure has been set up for the Human Rights Commission to deal with human rights complaints directed against individual countries. The General Assembly and the Human Rights Commission also deal in public with infringements of human rights. The UN has thus made progress in setting up a range of instruments for the worldwide protection of human rights. But this cannot conceal the fact that these instruments are still very imperfect. Further progress is difficult to make. It would require tough and, above all, purposeful work. That is clear from the discussion about creating the office of a high commissioner for human rights, in which the West is constantly confronted with stub-

born opposition from the East and other countries. Here, as in other areas of human rights policy, different concepts of human rights, of the dignity of each individual, act as obstacles, as do the solidarity between countries of a same group and other factors which are really quite irrelevant here.

The protection of human rights is one of the determining principles of Community policy, for human dignity and human rights are cornerstones of European culture. That is why the Community has undertaken to defend the basic freedoms of the individual. We welcome the fact that the European Parliament's Political Affairs Committee is examining the human rights situation and has so intensively considered what the Community can do to help promote and protect human rights in all corners of the world. I therefore want to express my very warm thanks once again, at this point, to Mr Israël for what he has just said here and for all the work he has done in this connection together with his colleagues.

(Applause)

However, I would also like to point out that the Ten have done more in the field of human rights than the report suggests. In the UN General Assembly they have jointly and repeatedly expressed their deep concern at the disregard of human rights in many countries. The Ten take an active and joint part in the endeavours to develop institutions and procedures to promote and protect human rights. In the General Assembly they also have a great influence in the human rights area. And those EEC states which are members of the UN Human Rights Commission are some of its most active participants. For instance they supported the appointment of a special rapporteur on arbitrary executions and summary executions and, what is very important, the setting up of the working party on missing persons. The Ten have repeatedly and plainly condemned the occupation of Afghanistan and Cambodia. They have opposed the suppression of basic human and trade union rights in Poland and have also condemned apartheid in South Africa. They have opposed the breaches of human rights in several Latin American countries and in Iran and elsewhere. They have frequently stressed the need for the United Nations to deal with urgent cases of serious breaches of human rights even outside the meetings of the General Assembly, the Economic and Social Council and the Human Rights Commission. In this context, the Ten all support the creation of a high commissioner's office for human rights and improving the efficiency of the UN Human Rights Centre in Geneva. In the human rights forums of the United Nations, the Ten point out that human rights must be guaranteed in all countries, regardless of their social and political system, by the observance of the international human rights obligations and by appropriate control measures. Furthermore, the Ten are endeavouring, by means of joint or coordinated bilateral approaches, to achieve practical improvements in the human rights situation in specific countries and to resolve individual cases.

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In spite of the basic conformity between the various concepts of human rights, there are differences among the Ten on specific questions. The coordination between the Ten at the meetings of experts in New York and in the various capitals is designed to bridge these differences in the United Nations. At meetings of the Human Rights Commission in Geneva, the Ten also adjust their positions although there the essential is to ensure coordination within the group of Western countries as a whole since not all the Ten belong to that Commission. Given that some differences in voting positions on human rights resolutions have emerged in the UN General Assembly and Human Rights Commission, we feel that a forthcoming meeting of experts should draw up recommendations on the harmonization of the various positions on the basis of an analysis of these divergences. Such practical action is important to the realization of human rights.

It can be seen that the ten Member States of the European Community are very active and are cooperating closely in the field of human rights. In the framework of their relations with the ACP countries, the Community has endeavoured, as Mr Israël rightly pointed out, to include a specific provision on human rights in the Lomé Convention. At least these efforts resulted in the Presidents of both sides formally emphasizing the inviolability of human dignity on the occasion of the signature of Lomé II. In this connection, it is also significant that the African, Caribbean and Pacific States pointed out that all the ACP States had accepted the UN Charter and that the principles on respect for human rights set out in it had been reflected in the OAU Monrovia resolution and the Commonwealth countries' Lusaka declaration. In any case, Mr Israël, we shall continue with our endeavours during the Lomé III negotiations and try to allay the at times rather considerable sensitivity of our ACP partners on this question.

If I understand the Political Affairs Committee's report correctly, it is trying to coordinate the human rights policy activities and measures of the ten governments in the framework of political cooperation with the European Parliament's activities, to define uniform positions and to stimulate further activities to protect human rights in third countries. This endeavour to make the Community's human rights policy more uniform and thereby more efficient deserves all our support. If human rights policy is coordinated at the various Community levels, it will also become more efficient. This can help to harmonize the basic positions from which the individual governments start out and gives them a chance to tell of their experiences during the discussion of individual measures in Parliament.

Let me conclude with the following comments on the motion for a resolution. Its requests to the Commission of the European Communities and to the Foreign Ministers will need to be considered in detail. The Ten are already working closely and actively

together in the human rights area. All Ten agree that violations of human rights must be condemned wherever they occur. Selective action and selective inaction cannot be justified on legal or moral grounds. Yet we must keep a sense of proportion. 60 000 refugees from Chile are 60 000 refugees too many, 3 million refugees from Afghanistan are 3 million too many. We should beware of making blanket judgments, such as accusing third world countries, without any differentiation between them, of disregarding human rights, thus making the Community's human rights policy less credible. Blanket judgments are always unjust. May I also point out that on the question of whether public statements on violations of human rights should be used as a means of moral pressure, I think a different procedure would be advisable. As experience shows, public appeals can also prove counterproductive and provoke the governments, which are put on the defensive, to an even harsher attitude. The request made to the Community in the resolution to work vigorously in order to make the UN bodies more effective, depoliticize the UN programmes, establish a high commissioner for human rights and institute a convention against torture complies with the wishes of the Ten meeting in political cooperation. If Parliament implements the recommended measures, this will certainly strengthen the Community's position in international human rights policy and promote worldwide respect for human rights. That is why its activity in this area is most welcome.

In conclusion may I on behalf of the Council of Foreign Ministers warmly thank the Political Affairs Committee for taking the trouble to draw up such a comprehensive and difficult report. It will stimulate the Community to pursue a more intensive and more extensive human rights policy. I am also grateful that this fundamental issue of our times is being discussed so widely and in depth in the European Parliament today. We shall not cease in future to work with all our strength for the realization of human rights and the protection of human dignity. Human rights and peace are inextricably intertwined. Peace does not just mean the prevention of war. Peace means building a world in which human dignity and human rights are the decisive criteria.

(Applause)

Mrs Van den Heuvel (S), co-rapporteur. — *(NL)* Mr President, the necessity for the European Parliament to hold a major debate here today on human rights in the world is clearly illustrated by the three reports we are discussing. More countries in the world infringe human rights than respect them. The way that happens may differ from country to country, but behind all the cases of breach of human rights drawn to our attention are people who live in fear and uncertainty, people who are debased, who fear for their own lives and those of their family, people who have been stripped of rights which we all take for granted.

Van den Heuvel

We are impotent against this shattering list of cases. We can do no more than draft resolutions and utter condemnations, declarations which, as our colleague Mr Gawronski said at the end of his part of the report, have little likelihood of producing results. But we as elected representatives of the people of Europe cannot turn a deaf ear to the many pleas for help reaching us from all sides. People suffering oppression gain courage from our declarations. But furthermore, those in a position of power are not totally insensitive to events today in this Parliament, as has emerged from the many meetings that government representatives have had with us prior to this debate. That encourages us to persevere, but should not mislead us into thinking that our work cannot be improved.

It is most regrettable that the ministers working in European political cooperation were unwilling to accept the request from the Political Affairs Committee to submit a report to Parliament. It is clear where the shoe pinches here. Opinions differ on the political situations in the various countries. Differences in opinion are more important to the Ministers than concern for human rights. I am not suggesting that this Parliament has not also been guilty of that on occasions. But at any rate the working party on human rights has shown how politicians who really take the defence of human rights seriously can rise above their political differences of opinion and take action. That does not mean that political differences of opinion are effaced. For example, I would not want to take over Mr Israël's description of Nicaragua as a fascist country, but I would still join forces with him as soon as there is a breach of human rights in Nicaragua.

Improving our work is something we shall have to set about doing immediately after this debate. The Israël report contains various ideas and I endorse them willingly, especially on strengthening the secretariat of the Political Affairs Committee and providing better documentation for the Members of Parliament. On the latter issue I have tabled an amendment to the Israël resolution on behalf of my group.

And now very briefly, Mr President, a few comments on parts of the resolution. Regarding the countries of the Lomé Convention, the opinion from the Committee for Development and Cooperation refers to the Council's statement of 21 June 1977 on the situation in Uganda. The Council confirmed the principle in that statement that aid granted under the Lomé Convention must in no way be used for denying or perpetuating the denial of basic rights to the people of that country. On that same point events in Surinam demand our attention and I have tabled an amendment on that with a few Dutch colleagues.

The part of the report that I have produced on countries in Asia and Australasia shows that of the 26 countries I studied only very few can be said to have a healthy respect for human rights. The oral question

with debate on events in Malaysia which I tabled has been included in this debate. I very much regret that this may result in this issue, which is worthy of Parliament's full attention, being submerged by so many other issues. The strange thing about Malaysia is that, relatively speaking for that region, it has a reasonable democracy, but then all the more reason for us taking a closer look at the existing imperfections. The emergency legislation in force at the moment, which can mean that a child found with one bullet in his bag is sentenced to death, must be debated in greater depth by this House and I shall be seeking advice as to how this may be done in the future.

It is remarkable that so little data is available from some countries and that it is so difficult to check the information that we do have. The regimes in those countries have obviously so much to hide that everything is done to keep outside observers away. In planning our future priorities we must concentrate on precisely these countries to prevent the existing regimes from being successful in their obviously evil intent.

An example of a horrifying government operating in secrecy is the action of the Indonesian government in East Timor. This former Portugese colony has been oppressed by means including the use of Dutch frigates and communications apparatus and a real reign of terror is being waged against all who dare resist or who are even suspected of offering resistance. Deporting the family of resistance fighters to Atanino is a clear example.

In the countries I studied human rights are infringed under the banner 'a fight against communism' and there are those who do the same in the name of communism. It is correct to conclude that everywhere that people's feeling of being right is taken to extremes other people are in danger. We deprecate that today as representatives of the people of our countries, who throughout history certainly had little reason to feel satisfied with themselves but nonetheless as representatives of people who have learned a lesson from history and have learned to live with a tradition of tolerance. It is only by exposing breaches of human rights wherever and by whomsoever they are committed that we can help in our modest way. Selective outcries, as the President-in-Office said, can backfire. The President-in-Office in his statement in this debate gave many examples to show that the Foreign Ministers are aware of this. Perhaps they will still manage to remove the obstacle they apparently see in their way to submitting to this House a full report on the situation regarding human rights.

Mr Mertes, President-in-Office of the Council. — (DE) Mr President, Mrs Van den Heuvel has just raised an important point, namely the question whether the presidency will comply with the request made in the motion for a resolution to make a written

Mertes

statement to the Political Affairs Committee outlining what action has been taken to date by the Ten or will be taken with regard to cases of violation of human rights. I consider this proposal very important. It will be examined carefully and in a constructive manner in the framework of European political cooperation.

Although in principle I am of course in favour of such a step, I personally see some problems which I would ask you to bear in mind in this connection. Experience to date has shown that in many cases strict confidentiality is a precondition for the measures taken by the Ten to be successful. Moreover, I would point out that in past years the presidency has answered a large number of questions from your benches on violations of human rights and I may assure you that in those cases of which they learn the Ten will always examine which measures will most effectively safeguard the protection of human rights. In this respect, the links between the European Council and the European Parliament will be strengthened and tightened.

Mr Van Minnen (S). — *(NL)* A brief point of order, Mr President, as Mr Mertes has just mentioned political cooperation between the Ten. An even more senior President, Mr. Genscher, promised a decisive answer in the last sitting on the specific case of Uruguay. Can Mr Mertes now assure us that this question will be answered presently?

President. — You must put your name down on the list of speakers and speaking-time is now over. You have not moved a procedural motion, you merely wish to take part in a debate. This I cannot allow; other Members may raise the same question. At the end of the debate Mr Mertes will reply to all speakers. I suggest you pass this excellent question on to a colleague or that you have it raised by a colleague in the debate, but you yourself cannot go on speaking.

Mrs Lenz (PPE), co-rapporteur. — *(DE)* Mr President, honourable Members, since the European Parliament began its activities, it has in a sense become the court of appeal and spokesman for human rights, for each week we receive new appeals and I think it is our pluralism, which we as free democracies express so characteristically in our Parliament, that gives our declarations such strong moral impact, an impact that certainly exceeds our practical possibilities of action. But today, in trying in this report to summarize our answers to this question, we are proving that we are capable of forming a majority and of giving answers irrespective of ideology or the preferences of individual groups.

My friends, we in Europe consider it normal to be able to assert many basic rights, to have the rule of law, freedom of opposition, freedom of assembly and freedom of religion and to practise party and group

pluralism in our countries. The examples listed in our report represent only a small part of what we set out in our individual reports. They are the evidence of the actions of inhuman regimes and military dictatorships, of a climate of violence and breach of law, which have led to the disregard of human rights throughout the world. We are particularly concerned to show, by the examples of the drastic threats to the individual of arbitrary arrest, torture, gruesome penalties and disappearances, that these dangers arise and become apparent whenever freedom of confession, political pluralism, freedom of the press and freedom of assembly begin to be restricted, whenever other cultural systems drastically restrict the living space of individual groups, such as women, wherever political pressure is exerted through people who, in order to force the release of their own nationals, have clearly violated the law of a host country, as we have seen in my own country in recent weeks with the case of the Libyans. All these countries we are discussing have one thing in common, however: they signed the UN Declaration of human rights, they are members of that august body. The European Parliament is aware that there is often a gap between moral duty and the political practice of daily business — as has become clear before — which cannot be bridged very easily unless there is a greater public awareness of human rights in all countries and all nations and, I repeat, a greater awareness of what peace and freedom really mean for us.

As paragraph 10 of the motion for a resolution states, we believe that discreet pressure can achieve results in individual cases, but that public condemnation and — here I very much support the Council representative in his further activities — concerted action is necessary to influence governments, and not only governments but also political groupings, which practise gross violations and even justify them. If we, the European Parliament, manage to bring this about more effectively, and our report is meant as a basis for such action, we would be taking a major step forward, just as it would be a major step forward if every country at least observed the conventions it had signed or, even better, if these conventions were also signed by the rest of the countries.

The ideas that emerged from the hearing with human rights associations give us further important pointers for the future. We, the European Parliament, can in my view form clear majorities on this question and agree on statements where governments with fixed political and often fixed ideological systems cannot. Let us use the opportunity offered by the motion for a resolution and thus also give the Council of Ministers and the whole Community a guideline for its future activities.

(Applause)

Mr Moorhouse (ED). — Mr President, let me also first pay tribute to my honourable colleague and friend Mr Israël for his unremitting and dedicated work on behalf of the oppressed; and indeed to Lord Bethell whose report will be debated later.

Mr Israël's document is really a terrible indictment of mankind. I am happy to note that the four countries with which I am concerned on my own parliamentary delegation, namely Finland, Iceland, Norway and Sweden, are not to be found among the guilty parties. I do not doubt that will continue to be the case.

I would like to pay tribute also to the outstanding work of Amnesty International who have, in my personal experience, been an invaluable and objective source of information about the situation and the misdeeds committed in all the many countries covered by the report tabled here today.

It is at least good to know that Anna Valentynowicz, leading member of Solidarity, who was kept in detention and whose case was taken up by this Parliament, was recently released.

We must all be thankful that in Iran too the lives of some of the Ba'hai sect have been spared, at least up to now, due in part to the intervention of the European Community and of the United Nations Commission on Human rights. On the other hand, alas, we were far too late with our protests about missing persons in Argentina where the recent discovery of mass graves containing the corpses of hundreds of victims of the terror have merely served to confirm all our worst fears. They may well include citizens of European Community countries.

So, Mr President, what further steps can we take to save human beings from torture and murder in the future? First, I do believe, notwithstanding the appalling situation in Argentina for instance, that publicity and representations often have more effect than we imagine. We appear to have some evidence of that from Iran. It is certainly true of Turkey where 15 to 20 people have been found guilty of torture in that country, which is a consolation in so far as the present Turkish Government is taking some action to bring guilty parties to book.

But, clearly, as Mr Gawronsky has said in the section of his own report, we need to examine ways of exerting pressure. There is the possibility of linking economic aid with human rights records. I believe I am right in saying that Mr Pisani gave some support to that proposal, though I appreciate that this kind of approach arouses conflicting emotions. Just the same, I think it is an approach we need to look at much more seriously in Parliament as a whole and in the Political Affairs Committee.

Then there is the question of the responsibility and accountability of the guilty men and women. Should

one, perhaps, under the aegis of, say, the United Nations Commission on Human Rights, attempt to draw up a list of those responsible for the crimes which have been committed? This would indeed, be a formidable task. But, again, I think it is something which needs to be explored. People and nations could then decide for themselves whether they wish to have dealings with such people, whether they should be granted visas to come to Member countries of the Community etc. Because, whatever course we follow — and I think we have to look into these alternative courses of action — publicity and representation may not be sufficient. I believe the European Community is well placed to give the lead, representing as it does the most influential group of freely-elected democratic countries in the world, standing for freedom and liberty in the world.

(Applause)

Mr Segre (COM). — *(IT)* Mr President, it is undoubtedly sad, and it weighs heavily on the conscience of everyone here, that today, on the threshold of the year 2000, the problem of human rights should still be so acute. Indeed, where political rights or economic and social rights are concerned, the problem is becoming even more acute.

It is something that offends and affects us all: it is right, therefore, that our Parliament should strive continuously to draw the attention of public opinion to intolerable facts and situations, wherever they occur, and in this way seek to contribute to what might be called the 'construction' of a human rights culture.

A political Assembly such as ours cannot however stop at this political and cultural form of action — the protest and the proclamation. It has a more complex duty, to unearth the historical and political causes of this state of affairs, and to work unremittingly and with firmness and patience for their removal.

If it is to work efficiently it must also recognize just how far it can go — if for no other reason than that democratic Parliamentary regimes exist only in this part of the world, and in few other countries. It cannot fall into some sort of 'Eurocentrism', or stand in judgement — as Mr Israël emphasized in his statement a short time ago — on the rest of the world. Such an approach, though it may salve the conscience, is in reality politically sterile.

This is in our view where the Israel report falls short. Because of its all-embracing nature, it ends up by equating different situations in a kind of encyclopaedia which, because it is over-ambitious, is reduced in fact to being generic and, often, inaccurate as well in its judgements.

Segre

We wonder therefore, in the first place, whether this is the right method. Since, on the basis of the results, we are not convinced that it is — whereas we are fully convinced of the importance and significance of the crucial question of human rights and the obligations of our parliament where this subject is concerned — we Italian members of the Communist and Allies Group will abstain from voting.

We take a different view, Mr President, of the Bethell report, which we will shortly be discussing and which, because of its style and peremptory manner, we can only oppose. Even though we may not dispute this or that fact, this or that situation, on which in recent years we have always raised, and will continue to raise, our voice in protest, our view is that it is a political mistake. At a time when negotiations are taking place at the Madrid Conference, on the basis of the document submitted by the 'neutral' and 'non-aligned' countries, in a search for a positive outcome that will produce a step forward in the application of the Final Act of the Helsinki Conference in the human rights field also (the so-called third basket) a report and resolution of this kind do not seem to us such as to facilitate the patient work in which the diplomatic representatives — and we wish them success — are involved.

(Applause from the benches of the Left)

Mrs Veil (L). — *(FR)* Mr President, we are assembled today for a serious and important debate which we cannot approach without emotion when we think of the physical and moral suffering implied in every portion of this report. This debate is serious because our own souls are involved in this issue; at stake is our will to fight effectively against violations of human rights in the world, so that we will no longer have to hear someone we respect, like Mr Kundera, say that his country, Czechoslovakia, lost its freedom because Europe no longer had a soul.

This debate is important because we, the members of the European Parliament, are speaking for the citizens of Europe, and today, therefore, it is the citizens of Europe who are debating the question of human rights. It is important also for the Community institutions. We, as a Parliament, are the democratic expression of these bodies, and we call for their public involvement in this issue. This debate is important also for free peoples and subject peoples: for free peoples, because they know that their freedom is precarious; for subject peoples, because their eyes are upon us.

Fifty years after Hitler seized power, giving rise to the greatest barbarism of all time; forty years after the ghetto revolt, the symbol of resistance to barbarism and of the human will to go on fighting against hopeless odds, what is the role of this debate on human rights?

This debate is justified and useful. It is justified because the Community itself, through its institutions,

has asserted its identity not only as an economic community but also as a Community of law among democratic countries, with a duty to defend democratic rights.

The Council of Europe itself has long fought for human rights, and today these two institutions respond to what I feel is the greatest aspiration of the young, who are confused by ideologies but remain true to the ideal of world freedom.

This debate is useful because action by Parliament, by the Community, has often obtained greater results than those which have been acknowledged. Other speakers have made this point, however, so I will not dwell on it, although it is an important one. Above all, we must be aware that the specific debates we have held here, particular speeches made by the presidents or by the Council, have indeed produced results.

A great deal of work has gone into the preparation of Mr Israël's report, and I would like to acknowledge this immediately, congratulating both him and all his co-rapporteurs. However, after this sincere tribute — for I realize that a great effort has been made — I would like to express certain important reservations, both in a personal capacity and as a spokesman for my group.

These reservations concern the method adopted in the report and not its content, for we concur with the text regarding all the violations of human rights described. I believe that the Committee on Political Affairs has been led slightly astray by the manner in which it was entrusted with this enquiry. A whole series of resolutions were referred to the Committee, which attempted to combine them all in a single report. The result is a sort of catalogue, and I do not think it is the function of our Parliament to draw up such a catalogue.

What do we want to do, and to what extent is it possible? Firstly, we want to take a stand on principle, a symbolic stand on what is meant by human rights and what we would like to see respected in all countries. We also wish to be effective. I think that this report, as it stands, does not fulfil these conditions. I am also sorry that we will not be voting on the principles involved, since they are included in the explanatory statement. In my view, this is the crux of the matter; to determine what constitutes basic human rights, and not only in the explanatory statement. This is a difficult task but a necessary one, for as is said in the report, there is not always a unanimity of opinion on these basic rights.

This method of enumeration also appears to me to be dangerous because of its omissions, simplifications, and formulas, despite assertions in the report itself that all facts have been verified. I could give examples of statements which I find frankly disturbing. When I read in this report that mention has been made of the restriction of women's rights on the basis of Islamic law, I find this serious, for Islamic law itself is being

Veil

questioned. Similarly, when I read about violations of human rights in China, and I hear that 'the situation has improved since the death of Chairman Mao', I hope this is indeed the case, but I can say no more than that. Nor am I satisfied with the statements concerning harassment of the press, the unions, and even the clergy in South American countries having some pretensions to democracy: I do not like these generalizations. I believe they are dangerous and I will say so clearly, for I think that this is not a sufficiently responsible procedure for our Parliament to adopt.

Finally, a wide variety of violations, differing in scope and degree and involving countries in very dissimilar historical, geographical, and economic situations, are put on the same footing. I think that it would have been better to proceed by type of violation or by the economic categories of the countries rather than by continent.

The method does not seem to me to be effective, because this report, in contrast to Lord Bethell's, is too vague to constitute a legal point of reference. Whatever the country concerned, Lord Bethell's report seems to me to be a more suitable model for our purpose, for it is more extensively documented and deals in greater detail with one particular country. I think that in order to be effective, we must act on specific cases. The same is true when it is a question of particular individuals: we have presented many motions for resolutions with requests for urgent procedure, which have sometimes been denied. The fact is that we could have hoped to get results only by taking up each case specifically and at the proper time.

It is also necessary for us to be able to put concrete pressure on certain countries, and this is not the case.

This method is also ineffective in regard to the Council. We criticize the Council for not keeping us informed, but in certain cases a discreet form of intervention would undoubtedly have a greater chance of success.

Nor do we propose any specific policy, and in my view this is the most serious fault of all. We have failed to make a clear statement. Let us recall that in the Seeler report, adopted in October of 1982, we said that we could not apply economic sanctions, or, at least, we told the Council not to apply any generalized ones. We have to know what we want. We have not taken a clear stand on the question of food aid, whether in regard to Poland, Ethiopia, or Vietnam: our position was different in each case.

We must formulate the question clearly: are we prepared to break off diplomatic relations? Are we prepared to suspend trade relations in cases where we sorely need our trading partners? Are we prepared to suspend arms shipments, to go so far as to close down companies? Are we ready to go to war for Poland, or give up our membership in international organiza-

tions which are known to make use of their programmes for political ends?

The fact is that we are obliged to live together.

We ourselves, as a Parliament, continue relations with parliamentary delegations which are unworthy of the name, since they do not represent true parliaments. I believe, with Mrs van den Heuvel, that we should unfailingly denounce all human rights violations, whatever their source, and whatever the political leanings of those involved. It is in this way that we can attain credibility.

Let us state some very clear principles, therefore, even if our governments cannot follow us, for we are a Parliament, and our credibility depends on such action. Let us avoid 'Realpolitik'. We can leave that to the governments, and ourselves remain a Parliament with ideas and principles.

Freedom and democracy are the very foundation of our Community. We have suffered much to earn the right to speak, and we speak not in order to pass judgment, but in a generous effort to create a better humanity.

(Applause)

IN THE CHAIR : MR KLEPSCH

Vice-President

Mr Cousté (DEP). — *(FR)* Mr President, this debate, as Mrs Veil has just said, is at once timely and useful, and I am speaking on behalf of our group not only because of my friendship with Mr Israël, but also because of the importance of this general report, the first to deal with the overall question of human rights on the various continents.

I have chosen to speak only of the developing countries, more specifically of those in Africa.

We know that when the Lomé Convention was renewed it was not possible to include an explicit reference to human rights. I would like to point out, however, that subsequent to the renewal of the Lomé Convention we have had the 'African Charter of Human and People's Rights', which deserves special mention. It was adopted in 1981 that is, after the renewal of the Lomé Convention and I am convinced that although the notion of human rights as held in the developing countries of Africa is not the same as the one we have in our older developed countries, it must nevertheless be acknowledged that these developing countries, particularly the African ones, do well to insist on the importance of respect for human dignity and human values from the point of view of development — that is, from the economic and social point of view. In this context, we can express the hope that when the Lomé Convention is again renewed some reference to this can be included — not in

Cousté

explicit terms, but in such a way as to show that there has actually been some progress respecting human rights in the countries associated with the Community.

We should also remember that the African countries connected with the European Community, together with those of the Caribbean, have only recently become independent. In dealing with them, we should adopt a long term approach, in my opinion, and for this reason it seems preferable to refrain from intervention in the internal affairs of these countries, as, for that matter, we ask them to refrain from intervention in the internal affairs of the Ten. It is with this in mind that I join Mrs Simone Veil in hailing the importance of the creation of an international resistance movement. It is true that when men speak out after having been physically subjected to violations of human rights it is our duty — yes, our duty — to respect them and defend them, so that other men may be spared such treatment.

(Applause from the right)

Mr Mertes, President-in-Office of the Council. — *(DE)* Mr President, the Ten have confirmed on many occasions that they firmly condemn and reject the system of apartheid, that system of institutionalized racial discrimination which refuses the majority of the people of South Africa the enjoyment of full human rights and basic freedoms. Furthermore, the Ten have stated clearly that they will continue and intensify their endeavours to persuade South Africa to abolish the system of apartheid and create a society which gives freedom and justice to all. To this end the Ten are considering how the European Community can best bring the weight of its influence to bear.

In their declaration of 11 October 1982 before the United Nations on the day of solidarity with the South African political prisoners, the Ten confirmed their support for those detained in prison because of their opposition to apartheid. At the same time they called once again on the Government of South Africa to release all political prisoners immediately and unconditionally and to refrain from any repressive measures against the political opposition in South Africa.

In the course of last year the Ten formally supported the United Nations' appeals to the South African Government bodies to spare the lives of several South Africans condemned to death, namely Thelli Mogorane, Jerry Mosololi, Marcus Motaung and Johannes Shabangu and David Moise.

The Ministers of the Ten are constantly observing and assessing the situation in South Africa in the context of their own policy. In this, they will also take due account of the views expressed in resolutions of the EEC-ACP Joint Committee and the EEC-ACP Consultative Assembly.

In the past twelve months the presidency has made several approaches to the Malaysian government with

regard to the death penalty in Malaysia. On 29 May 1982 the then Belgian Presidency made approaches regarding a person under sentence of death. On 1 October 1982 Denmark continued these approaches on behalf of the Ten with regard to several persons condemned to death in whose case all legal remedies had been exhausted. On 17 January 1983 the German Presidency made a third attempt, together with the French ambassador, to persuade the Malaysians to grant a pardon. The Ten simply wanted the Malaysian Government to grant a pardon on humanitarian grounds. They pointed out that the Community would welcome this sign of leniency. The Ten also referred to the friendship and cooperation which had developed between Malaysia and the ten EEC Member States.

The Malaysian Government accepted the approaches of 1 October 1982 and 17 January 1983 on humanitarian grounds, but made no concessions in the matter. It made it clear that it could not accept any protests against laws which had come into being through parliamentary procedures. The Ten declared that this was not their intention. Nevertheless, the executions took place. Once again, on 16 February 1983, the German ambassador tried to obtain the grant of a pardon, without giving his request the character of a formal approach. The Ten will continue to follow with attention the situation of the condemned prisoners. They will consider further appeals on humanitarian grounds on a case to case basis, provided they increase the chances of leniency being shown and do not entail greater risks to civilians.

As regards the possibility of adoption, the Ten do not have any common policy. In this respect the Malaysian authorities have hitherto merely made general offers relating to prisoners who have not yet been convicted under law or sentenced. Any group or any State can in theory adopt prisoners. But this adoption requires the prisoner's agreement. It is obvious that prisoners can only be adopted subject to the immigration provisions of the host country in question. That is why adoption would have to be a bilateral measure. In the cases where the presidency made formal approaches, it was too late for adoption since the prisoners had already been sentenced under law. In this situation all we can do is to continue to plead for clemency.

The cases to which Mr Pöttering refers in his question have not escaped the attention of the governments of the European Community countries. The European Community countries are deeply concerned about the fate of the writer Zoya Krachmalnikova, the philologist Edmond Avetian and Rafael Papajan and the geologist Georgy Chomiozuri. The Ten express their desire for an end to the proceedings brought against orthodox Christians and those who are fighting for human rights in the Soviet Union. The cases raised by the honourable Member form part of the series of cases in respect of which the European Community

Mertes

countries have ceaselessly endeavoured, specifically at the Madrid Review Conference, to achieve progress in the effective implementation of the humanitarian provisions of the Helsinki Final Act, including those relating to freedom of thought, of conscience, of religion and of conviction.

Mrs Desouches (S) — *(FR)* Mr President, ladies and gentlemen, I will not restate my deep concern for the protection of human rights. I have no reservations, no hesitation when it is a matter of defending innocent victims, of denouncing or preventing oppression and repression, and this in all countries, including our own. I would simply like to speak as chairman of a delegation of the European Parliament for relations with a particularly important third country.

We have set up some twenty delegations for relations with third countries in order to establish an ongoing dialogue with chosen or accepted partners. One of Parliament's objectives is to use these contacts to build a better mutual understanding between countries and peoples of different cultures and civilizations. For my part, I am convinced that as we learn more about a country our judgments become more flexible, and our condemnations less absolute. I also think that under-development in all its forms is one of the principal causes of human rights violations. Poverty constitutes true oppression, and the pressure of events and circumstances is often at the root of blameworthy actions. I seek not to excuse, but to understand.

Although it is true that excessive human rights violations must be condemned, I think that we should try to understand, and to transcend the Eurocentric viewpoint in an effort to determine what changes are necessary in order to encourage progress towards a genuine ideal of humanity which takes human diversity into account. This is how I view one of the missions entrusted by Parliament to this delegation; this is how I view the economic cooperation of the Community, which can allow certain countries to establish the basic and necessary conditions for the introduction of democracy and individual and social rights.

Mr Penders (PPE), *co-rapporteur*. — *(NL)* Mr President, you may have noticed that in my part of the report on human rights in the Lomé countries I have chosen an approach which differs radically from that of my co-rapporteurs. I decided not to draw up a long list of countries where human rights are infringed with varying degrees of gravity. That job is done excellently by *Amnesty International* and the American State Department.

Mr President, the European Parliament is still at the very beginning of the long road which must lead to a real policy on human rights. It is time to leave behind us the purely verbal stage where we only express our condemnation in words. I have tried to give a general

picture of human rights in the relationships between the EEC and the Lomé partners and at the same time explore in greater detail the connection between human rights and development cooperation.

It has always proved particularly difficult for the EEC to include the question of human rights in negotiations on the Lomé Convention. Our Lomé partners have always maintained that Lomé is all about socio-economic development and has no room for political problems. That is why we have not managed to make any reference to human rights in the preamble to Lomé II but nonetheless, and this gives us reason to hope, some progress has been made in the preliminary negotiations for Lomé III.

During the last meeting of the Joint Committee in February 1983 in Kingston, Jamaica, a resolution was carried urging that respect for human rights be closely connected with an improvement in the social and economic circumstances and that an open dialogue on the mutual respect of human rights can mean an enrichment of the Lomé Convention. We welcome the fact that the Lomé partners are tending towards this new view of the link between human rights and development aid.

Whenever we speak about human rights and development aid we must realise that human rights, when we mean for example the universal declaration of the international treaties of New York of 1966, arise out of Western concepts. They come from our cultural background. They are good and set an example for others to follow, but it took hundreds of years for us to come round to these views in the West. Many developing countries have another cultural background.

They do not automatically share our views and it will take time to convince them of the value of our opinions. A certain socio-economic basis is necessary if we want respect for human rights to fall on fertile ground. What does that mean in practice? I have divided human rights into three categories: firstly the integrity of the human person, in other words the keep-your-hands-off-me rights. Secondly, the economic-social rights, and thirdly, the classical rights of freedom. I think that a developing country that is genuinely concerned with economic and social rights, with housing and feeding its people, is allowed some degree of flexibility with the classical rights, but never, Mr President, and I repeat never with the keep-your-hands-off-me rights. Serious and continuous infringement of these rights must also have consequences for development aid. I should welcome comments from the Secretary of State on this line of thinking.

Mr Prag (ED). — Mr President, I am going to start by asking two sets of questions which may sound curious coming from one who is a member of the Political Affairs Committee's Human Rights Working Party and also one of the co-rapporteurs.

Prag

First does the work of the European Parliament in the field of human rights do any good? Does it palliate to any extent the great mass of human misery perpetrated by governments and security forces in countries all over the world and outlined so starkly and ably by Mr Israël and Mr Mertens? Secondly, is the method of making public declarations and adopting resolutions the best way of ensuring that human rights are upheld? My initial answer would be, not always.

I have, like many who have spoken and particularly Mrs Veil, certain reservations. The first of them is that very often the informal, diplomatic approach works better, saves more lives and improves the conditions of those who are unjustly prosecuted or imprisoned.

Secondly we cannot resolve with declarations and resolutions the terrible and real problem of armed insurrection. The excesses of armed violence committed by extremists of Right and Left in Latin America cannot, regrettably, be contained by exhorting governments to perfect observance of the Universal Declaration of Human Rights. Between the extremes of political dogma, bigotry and inhumanity, the ordinary folk are the wretched victims. Governments are dragged into ever-intensifying violence and repression.

I make a third reservation that one must be very careful to have the latest information, and also to be absolutely just and impartial, which I hope I have been in my section of the report on Eastern Europe and the Soviet Union. In three paragraphs of Mrs Van den Heuvel's section — in paragraph 2 (3) and the subparagraphs (h), (i) and (j) on South-East Asia — I have to say with regret, as deputy chairman of the Asean delegation, that the statements about Indonesia, Thailand and Malaysia are exaggerated and out-of-date. That is why I hope this House will vote against them. I certainly shall do so myself.

I make a fourth and even more important reservation, and that is that the Human Rights Working Group still has no staff of its own, totally in contrast to the United States Congress. That means that it is impossible to do original research and that it has been very difficult for us to do our job of drafting this report.

So I return to my original question. Does our work in the European Parliament do any good? Should we continue on our course of annual reports of which this is the first? Should we continue to make declarations and adopt resolutions? If I answer yes, despite my own reservations and those of Mrs Veil which I largely share, it is because I believe that those of us who have the privilege of living in freedom and democracy under the rule of law cannot wash our hands of the fate of our less fortunate fellowmen and women. If, from time to time, we can save even one innocent life or prevent the torture of even one human being, if we can restore human dignity, decency and law and end the use of physical, mental and spiritual violence against just one persecuted

group in any country, then our work will have been well worthwhile.

Mr Denis (COM). — (FR) Mr President, I have called upon the Foreign Ministers of the Ten for two reasons. First, on humanitarian grounds, in order to save the three young ANP militants — since joined by others — from the gallows; the Community must intervene each time that anti-racist militants are condemned or endangered. Second, on political grounds: in my oral question I asked that the resolution of the ACP-EEC Consultative Assembly, adopted in Salisbury and confirmed in Rome and Kingston, be respected. Have the ministers decided to study the ties between the Member States and Pretoria and the ways to end them, that is, economic sanctions? In this regard, the answer of the President-in-Office did not satisfy me, for it contains no commitment.

I would like now to speak of the Israël report. Allow me to express surprise at the absence of the United States of America and the EEC countries in this report. Who can assert that human rights are perfectly respected in all these countries? The Communist Group, under the signature of Georges Marchais, had proposed the creation of an 'investigating committee on human rights in the EEC' in 1979. Since then, nothing has been done. No procedural reason can justify the inaction of our Assembly's Legal Affairs Committee, or rather its persistent refusal to act. Nonetheless, from torture in Northern Ireland to professional prohibitions in the Federal Republic of Germany, there is much which merits the attention of all those who are sincerely concerned with human rights. We have already said here that the French Communists and Allies do not have a restrictive concept of human rights. They defend them in their fullest extent and resist violations wherever they occur. Is it the function of this Assembly to turn itself into a sort of selective international tribunal, condemning in one place and absolving in another? What hate is shown for progressive Nicaragua, and what caution in regard to the fascism of Pinochet! We see a similar bias when Communist militants, after many others, are threatened with death in Iran.

Mr President, there are some areas where our Parliament has unquestionable responsibilities: South Africa is one of them. The Scott-Hopkins report, adopted by the right wing of this Assembly, credits the government of Apartheid, champion of hanging and licensed aggressor against its neighbours, with a desire for reform and humanization. And how can we fail to remember that members from the same benches refused in Kingston to condemn the Pretoria regime? In the case of Turkey, still a candidate for membership in the EEC, the European Assembly did not act as a true defender of freedom whereas on the initiative of the Communist Group, it severely condemned the Turkish regime. Barely a year ago it

Denis

adopted Mr von Hassel's report, which the facts refute to such an extent that the junta in Ankara itself now acknowledges the existence of 99 000 political prisoners,

Finally, if there really is an area where our Assembly has competence, it is the area of development policy. Here again, on the right, certain persons like Mr d'Ormesson have not hesitated to recommend the use of food as a weapon against the peoples of Vietnam, and, more recently, of Ethiopia, in support of their political choices.

(Protests from the right)

This bothers you, gentlemen? This is what the rightist majority of this Assembly voted for, and what the Israël report attempts to conceal. This is why, for our part, Mr President, we will continue to refuse to participate in this vote. We will continue to demand a different attitude from the European Assembly on this issue. We will again urge the creation of this 'investigating committee on human rights in the EEC', and we will continue to work to obtain support from this Assembly for all the victims of human rights violations in the areas where it is really competent.

(Applause from the Communist and Allies Group)

Mr Israël (DEP), co-rapporteur. — *(FR)* Mr President, I wish to speak on a point of order. I wish to remind Mr Denis that the report of the Committee on Political Affairs was intended to deal with countries other than those of the European Community.

Tomorrow we will make a report on the Community countries, if you wish.

As regards the United States, I will ask Mr Denis — very amicably and very simply — why the Communists refused to join the working group for drawing up the report on human rights in the world.

Mr De Goede (NA). — *(NL)* Mr President, the reports from the Political Affairs Committee deal with human rights outside the Community, for Member States of the Community it is not the Political Affairs Committee but the Legal Affairs Committee which is responsible. But we should realise that we can only speak credibly on respect for human rights in the world if we also deal with breaches of human rights in the countries of the Community itself. And we submit this recommendation that a future annual report on human rights should also contain a report from the Legal Affairs Committee on the situation in the Community. It would be an over-optimistic view of affairs to maintain that human rights are not infringed at all in countries of the Community. I need only remind you of what Amnesty International said during the hearing in Brussels on the continued existence of the death penalty in some Member States, the sometimes serious discrimination against conscientious objectors and the treatment of homosexuals. Implementing and protecting human rights is a conti-

nuous process. Europe has made great progress in this sphere but we must still be on our guard and there is certainly no reason for self-congratulation.

On the subject of protecting human rights in the world we believe that the Community should concentrate its attention on those countries where the Community can really achieve something, which means first and foremost the countries with close links under association agreements or the Lomé Convention.

One such country is Turkey. The motion for a resolution quite rightly speaks of systematic infringement of human rights by the military government. The new constitution and legislation on political parties and trade unions in Turkey recognise in principle the most important basic freedoms, and political and trade union rights, but they then have so many restrictions laid down on them that one really wonders whether these human rights are recognised in practice. We also think it very important that those countries, which include Member States of the Community, who have lodged a complaint against the state of Turkey should vigorously take their action to the European Commission for Human Rights.

The biggest group of countries with close links with the Community are the ACP countries. The Community has in principle an instrument at its disposal to urge the respect of human rights in those countries, namely the Lomé Convention. By respect of human rights in the ACP countries I specifically include civil and political rights. If we are ever tempted to be flexible in the respect of these classical rights of freedom, as the rapporteur has argued, then we will find ourselves on a slippery slope. Of course we cannot ignore the specific circumstances of a country but we feel the rapporteur is laying too much emphasis on sympathising with breaches of these rights in developing countries.

In principle development cooperation is no instrument for a policy on human rights. That is true, but that does not mean to say that these two areas can or should be kept totally separate from each other, and that is why we urge that a reference to respect for human rights be made in the Lomé III Agreement not just as a principle in the preamble but as a criterion in the Agreement itself.

Mr Pelikan (S). — *(FR)* In view of the amount of speaking time allotted to me, I will make only one remark — or rather, I will cry out in anger or in hope, evoking three cases which demonstrate that repression cannot destroy the will of peoples to defend their freedom.

Firstly, in Poland, we have seen that the large scale demonstrations of 1 May have proved that Solidarnosc is still a powerful force and that it must be reckoned with if the present crisis is to be overcome.

Pelikan

Three dead, hundreds of arrests and injuries — this was the response of General Jaruzelski's regime.

It is symbolic that on the other side of the world, in Chile, General Pinochet's regime reacted to the demonstrations of 11 May with vigorous counter-measures which cost the lives of two people, deprived five hundred and fifty people of their freedom, and signalled the return to repressive methods.

The only difference is that after these demonstrations the official Chilean newspaper 'El Mercurio' asserts the need for a dialogue between the government and the opposition.

The same appeal for a renewed dialogue comes to us from Poland, but from underground sources, as demonstrated by an important document signed by Lech Walesa, the President of Solidarnosc, and other union leaders, some of whom are members of the Communist party.

Another example: Czechoslovakia. Although there is a positive example, that is, the freeing of the writer Wasel Adel for reasons of health after four years' imprisonment, other deputies, such as Rudolf Batkek and Peter Uhle, have been imprisoned for six months. I will also mention the revolting case of Ladislav Lis, a Communist and a worker, who was arrested on 5 January for trying to found an independent peace movement.

It is a paradox worthy of Kafka that in Prague, where a world congress for peace is to be held in June, citizens who want to express their opinions on problems related to peace are being arrested and persecuted.

And, to those of my colleagues who assert that certain peoples are ready for democracy while others are not, I would like to say, as Bülent Ecevit did recently, that all peoples are ready for democracy and freedom.

(Applause)

Mr Bournias (PPE). — *(GR)* Mr President, fair praise is due to the general rapporteur, Mr Israël, to his co-rapporteurs and to Lord Bethell, for their painstaking work on the subject under debate and for the measures proposed. But they will agree with me that with regard to the sought-after outcome there is room for a great deal of scepticism and doubt. I say this because, as a member of the Political Affairs Committee, I had the sad privilege of hearing fearful things in connection with the matter under debate from the representatives of the four non-governmental international organizations for the protection of human rights during the discussion by the Political Affairs Committee on 21 April 1983.

Speaking more specifically, we tear our hair in vain if we expect even a slight change in the Soviet stance, not only regarding the number of violations at the

expense of anonymous but brave people, but also in those cases of violations which humiliate eminent intellectuals such as the Nobel prize winner and Soviet academician, Andrei Sakharov. As is well known the Soviet Union cares for its dissident citizens in prisons and psychiatric asylums. Fortunate are those who end up quickly in the cemeteries, even though the only identification left on their graves is their prison number. That is why I said at the beginning of my speech that we are tearing our hair in vain, and, as Mrs Veil proposed a little earlier, we must change tactics. When we are into the ninth year, Mr President, since the invasion of Cyprus, when the subjugator of that island plays blind and deaf in spite of the resolutions and judgments of all the international organizations — three days ago the General Assembly of the United Nations issued a new judgment calling for the immediate withdrawal from Cyprus of all foreign forces — when a petty tyrant of the Albanian people such as Enver Hoxha is suppressing 400 000 Greeks in Northern Epirus while all the countries of the United Nations, of which Albania is a member, remain indifferent, can we expect to move a giant like the Kremlin with our resolution? Of course not. We simply add yet another official entry to the black book which the century coming to an end has written in the blood, tears and pain of people of every race, colour, creed and ideology.

Finally, Mr President, I express my sorrow that the co-rapporteur, Mr Cariglia, refers to the systematic violations of human rights in Turkey but says nothing about the direct responsibility of that country for what is happening in tormented Cyprus.

In finishing I would recommend to all Members that they read the minutes of the Political Affairs Committee for 21 April 1983 concerning the activities of the non-governmental international organizations, the 'enfants terribles' as they have been called, in relation to the matter under debate, and I propose that at least twice yearly Parliament should send a special report to the national parliaments of Member States so that our peoples are kept up to date on the extent of violation of human rights all over the world.

Mr Tyrrell (ED). — Mr President, I agree with Mr De Goede as to the position of human rights within the Community and the way in which it should be dealt with. There is no room for complacency. I would like to remind Mr Denis, who castigated human rights in the Community, that each one of the ten Member States has submitted its laws and practices to the jurisdiction of the European Court of Human Rights and abided by its decision. If that practice could be spread to the other countries we are considering today, we might get some far-reaching changes in them.

Tyrrell

I would like to start by asking the President-in-Office of the Council whether the Council has yet taken any action on the resolution adopted by this Parliament in January on the Baltic States. I am very glad indeed to see that the Political Affairs Committee has treated the Baltic States as if they were indeed independent states, which is the way in which we like to regard them. In January Parliament asked the Foreign Ministers meeting in political cooperation to refer the question of the Baltic States to the Decolonization Committee of the United Nations, and I would like to ask what action has been taken on that, if any.

My colleague, Mr Prag, in his section on Eastern Europe has produced a sweeping and formidable array of breaches of human rights. I want to concentrate on that part of the world, because, of course, it is within our own continent and we hope that one day it will be reunited with the rest of us here in the European Community. I want to deal particularly with Romania, in respect of which I have tabled an amendment. I have done so because I feel, great though my admiration for the report is, that that country has escaped somewhat lightly.

The report described it as being of Stalinist rigidity and says very little else. Now I would like to remind the House of the way Romania treats its minorities. There are some two million Hungarians living in Romania. There are roughly 80 000 Germans living in Romania. There are, of course, a substantial but unknown number of Christians living in Romania. The repression of these minorities goes further, I think, than anything we see in the rest of this great continent. A country which can condemn a man to prison for six years for smuggling Bibles into the country is a country for which one can have nothing but the most utter contempt. Yet that is what Romania did in December 1981. As far as the Hungarians are concerned, their language is being repressed, their universities and schools are being repressed, Hungarian books and periodicals are oppressed, Hungarian inhabitants are subjected to close police scrutiny and continuous house searches. Recently, a letter by such a Hungarian appeared in a Hungarian-language newspaper circulating in Switzerland. The writer is Mr Attila Ara-Kovacs. He gives his address. He complains that there is nationwide suppression of the two million Hungarians and that the Hungarian demand for respect for their rights is in itself a criminal offence. He goes on to say that Hungarians and Germans disappear in Romania without trace and lists a number of other ways in which they are oppressed. Mr President, he also says that he has no illusions about what will happen to him as a result of the publication of that letter. One hopes that by mentioning him today, one is perhaps giving him a little help.

That uses up my time, Mr President, I would just like to get in one last sentence. Romania is a country to

which this Community has given preferential trading arrangements. It is high time we reconsidered this policy.

Mr Mertes, President-in-Office of the Council. — (DE) Mr Tyrrell raised the question of the treatment of the Baltic states by the UN Subcommittee on Decolonization. Mr Habsburg has tabled a similar question, which will be answered this afternoon. So I ask you to be patient until the afternoon, when the Council will answer both questions.

Mr G. Fuchs (S). — (FR) Mr President, the list of current human rights violations in the world is unfortunately a long one, and Mr Israël's report does not fail to remind us of the fact. Among all these equally blameworthy violations, there is one case which in my view is worse than all the rest; I am referring to the regime which is the most scandalous of all from a legal viewpoint, for it is based on the negation of all our principles, beginning with the most fundamental: that all men are born free and equal before the law. The very constitution of South Africa — a unique case on our planet — dares openly to display official scorn for these principles. Apartheid is even more unacceptable in its concrete manifestations, however.

Mr President, ladies and gentlemen, I have just participated in the fact-finding mission sent to southern Africa by the ACP-EEC Consultative Assembly. Once again I was sensible of Pretoria's determination to destabilize its neighbours, to create situations of conflict and war in order to facilitate a subsequent appeal to what it calls Western solidarity. In Zimbabwe in particular I was able to see to what extent the possible success of a non-racial system of government, where whites and non-whites live together in mutual respect, was unbearable to Pretoria, which is prepared to go to any lengths to prevent such a success.

I also took advantage of this mission to stop over in Johannesburg for forty-eight hours, in a private capacity. Even if one knows what apartheid is, and has read extensively on the subject, the discovery of the reality is a shock: to see in a railroad station benches for whites only, to be unable to take the bus with a black friend, the ambassador of an African country, to read in the paper of a man's being sentenced to two years' imprisonment for possession of a banned book.

Ladies and gentlemen, such things make one lose all desire to sit down, or travel, or read; they give rise to feelings of disgust and shame. Before this visit I believed that apartheid was based only on domination and racism; the reality is still more serious. Apartheid is based on the absence of any relationship, on the total negation of the non-white by the white. I had already encountered domination and racism: apartheid goes beyond these concepts.

Fuchs

I hope that our Parliament will examine this question again, and that it will go beyond moral condemnation and make a serious study of effective means — and I echo Mr Mertes here — for our Community to exert pressure to put an end to this situation. There is not only the danger of a general upheaval in southern Africa to be thought of: our own human dignity is at stake.

(Applause from the left)

Mr Rinsche (PPE). — *(DE)* Mr President, ladies and gentlemen, the report on human rights is so valuable and so important that we must not let it forfeit any of its value through misinformation or misrepresentation on individual points. That is why I object to Section III (h), (i) and (j) of the motion for a resolution. The reproaches made there against Indonesia, Thailand, Taiwan, Malaysia and the Philippines are largely based on erroneous and no longer applicable information. As Chairman of the European Parliament's ASEAN delegation, I know from my own experience and from direct evidence that important statesmen from the ASEAN states are making commendable efforts to implement human rights in their countries.

Unfortunately I do not have the time here to go into the details of the actual situation, for instance in East Timor. Blanket judgments which bear no relation to the real situation and developments will not help the people we want to help. Inadmissible generalizations are a threat to the aims of this important report. For these reasons I would ask you not to accept Section III (h), (i) and (j) in their present form. I therefore request that they be put to the vote separately.

(Applause from the centre)

Mr Kallias (PPE). — *(GR)* Mr President, human, political, economic and social rights have all been won by blood-drenched struggles over many centuries. They confer distinction on Man, and with the sovereignty of the people constitute the two unshakeable corner-stones of democracy. The sovereignty of the people on its own is not enough. Only human rights, in their more widely understood dimension, afford protection to minorities and lone individuals against contingent arbitrary repression. Each time the struggles of peoples for human and political rights have been vindicated the victory has been recorded with specific provisions in constitutional rulings or in international conventions, and the quest after them expressed in national and international declarations starting with the 'Epitaphios' of Pericles — in which it is emphasized that happiness lies in freedom, and freedom in bravery — and right up to the European Convention for the Protection of Human Rights and Fundamental Freedoms which I had the honour to help formulate in 1949.

The draft resolution of the Political Affairs Committee is satisfactory. In particular I want to stress that:

It gives a full inventory of violations of human rights over the whole planet and condemns them with horror and abhorrence. The countries where there is systematic violation of human rights include all the Warsaw Pact states and also Turkey and Albania. Concerning the latter two states a reply by the President-in-Office of the Council would be fitting. The resolution also asserts that the systematic violation of human rights impedes economic and social progress, and it expresses regret that no clear Community policy on human rights in third countries has been worked out. The speech today by the President of the Council of Ministers was very noteworthy, and his reference to cases of disappearance puts us all in mind of the tragedy of the 1700 missing Greek Cypriots who have either been murdered or are still being tortured.

Dear colleagues, human, political, economic and social rights, all of these together, and only these (not even great art or the unravelling of the secrets of Creation), confer distinction on Man, create the best conditions for cultural and socio-economic attainments, ensure a high quality of life and exalt Man as the prime being of Creation.

(Applause)

Lord Bethell (ED). — Mr President, I will try to cram everything into one minute and just say a few words as chairman of the working group on human rights.

I think this debate has shown that human rights have a very special place in the hearts of Members of the European Parliament. It is one of the strongest weapons in the armoury of the European Community and has been confirmed as a central pillar of our Community by all three institutions. I would like to thank the German presidency in particular for their cooperation with the human rights working group over the past months, for organizing our visit to Madrid and for generally being very helpful. I hope that this cooperation between the Parliament, the Council and the Ministers in political cooperation will continue and expand and I am grateful to the President-in-Office for what he has said on this point.

I think that we must be very careful about trying to get staff for our Working Group on Human Rights. It is a miracle that we have been able to produce this report at all. Mr Israël has produced a miracle, working more or less on his own with the help of a staff of two and I would like to pay a special tribute to Mr Axel Stahlschmidt and Mr Barry Waters for what they have done to make this report possible in spite of very difficult conditions.

Mr Haferkamp, Vice-President of the Commission. — *(DE)* Mr President, this debate marks an important date in the life of the European Parliament. It is extremely important for the Community as a whole. It has shown that the Community is not just an

Haferkamp

economic Community. It has also shown that the Community does not only consist of its own internal difficulties, such as its financial problems or surplus agricultural production. It has made it plain that from the outset the Community is committed to the dignity of man, for it was born out of the ruins of a Europe which had experienced and suffered the most atrocious crimes against humanity.

This commitment is valid today and will remain so for us in future too. The debate has shown how seriously we take this commitment. It has made our principles clear before the whole world and has also shown ways in which these principles can be asserted. The Commission also accepts these principles.

What is important now is that we should do our utmost to enforce these principles, whether in the case of a whole system of persecution and oppression or of threats to the dignity or life of an individual. What is important is that we should do our utmost to help these people in practical ways. As we all know and as this debate has shown, this is more complicated and difficult than the affirmation of principles. This will become clear again in each individual case. The Commission is grateful for this debate; it will take every opportunity to ensure respect for human rights.

(Applause)

President. — The debate is closed.

The vote will take place at the next voting time.

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

IN THE CHAIR : MRS CASSANMAGNAGO
CERRETTI

Vice-President

President. — The next item is the report (Doc. 1-1364/82) by Lord Bethell, drawn up on behalf of the Political Affairs Committee, on human rights in the Soviet Union.

The debate will include the same oral questions as the previous debate, together with the oral question with debate (Doc. 1-32/83) by Mr Schall and others, to the Foreign Ministers of the ten Member States meeting in political cooperation :

Subject : Violations of human rights by the Soviet Union in the construction of the natural gas pipeline

Are the Ministers aware that, according to the records and findings of the Internationale Gesellschaft für Menschenrecht e.V. (International Society for Human Rights) in Frankfurt am Main, some 100 000 convicts are being employed in the

construction of the natural gas pipeline planned by the Soviet Union, amongst them more than 10 000 political prisoners, including women and elderly people ; that new centres containing forced labour camps have reportedly been set up along the construction route during the last two years ; and that the convicts, not to mention their appalling working conditions, are reported to be accommodated not in houses or huts, but in ramshackle trucks offering no protection whatsoever in winter temperatures of 30-40° below zero ?

Are the Ministers prepared, on the basis of proven facts, to recommend to those Member States involved in the supply and financing of the natural gas pipeline that they should check existing contracts for misrepresentation, so as not to render themselves guilty of abetting violations of human rights ?

Lord Bethell (ED), rapporteur. — Madam President, we rise to debate a subject of intimate concern to all the peoples of our Community, since it involves a country only a few hundred kilometres away from where we are sitting now. It is a country that has very powerful armed forces on the borders of one of our Member States and where human rights, in the opinion of the report being presented to you, are violated systematically and cruelly and on a scale probably larger than in any other country in the world.

I am not talking here about the mass murder and physical torture described in other reports on human rights which we have debated. I am prepared to concede that in today's Soviet Union, unlike under Stalin, murder and physical torture by the security forces are the exception rather than the rule. But the oppression and the stifling of the human spirit by the Soviet Government and by its forces of internal control is something which has shocked and concerned all of us. I am delighted to have the chance to introduce this report today.

The most glaring example of the Soviet Union's unwillingness to accept the rules of civilized behaviour, normal European behaviour, is the fact that even now, some 30 years after Stalin's death, they still have to keep 4 million of their citizens at forced labour. About half of these are confined behind barbed wire or in prisons ; another half are on parole, at forced labour, liable to be recalled to the camps for the slightest infraction or infringement of the terms of their parole. This is between 3 and 4 % of the workforce of the Soviet Union. It is about as many as the population of two of our Member States, Denmark and Ireland — an enormous army of forced labourers, slave labourers. This is in 1983, when slavery was to have been abolished across the Atlantic 150 years ago. It shows, I believe, that, whereas the terrors of Stalin's Russia have ended arithmetically, the system has not

Lord Bethell

changed essentially. It is still considered the prerogative of the Soviet State to punish its citizens extremely severely. The details of these punishments and the scale of them, the sheer arithmetical scale of them, are contained in the explanatory statement of my report. The details of it will be put before you for vote later this afternoon.

The conditions of imprisonment of these several million Soviet citizens are also the subject of our report. The food is inadequate. The health care is very bad. The chances of a deterioration of health over the period of the very long sentences imposed on Soviet citizens are extremely great. When one meets people who have come out of the Gulag, one is struck by a terrible pallor and by the ravages of sickness that have affected almost all of them. Duodenal ulcers, loss of teeth, stomach disorders of various sorts — these are almost the inevitable result of imprisonment under today's Soviet Union.

I see that two of our Communist friends are laughing at this. I dare say it is a good subject for Communist laughter. But the rest of us do not laugh.

(Applause)

The rest of us do not laugh. The rest of us cry when we hear these things. The Communists will have a chance to say their piece, if they dare, later in this debate and to cast their vote, if they dare, later in this debate.

There is also, of course, the fact that the Soviet Union, being a Socialist state in the Marxist-Leninist understanding of that term, has total control over the employment of its citizens. A person who is not such a sinner as to be imprisoned may be dismissed from his job. This is not like in one of our countries. Madam President. A person dismissed from his job in the Soviet Union has no other employer. There is nowhere else for him to go. This is a very terrible sanction and one which is used very frequently. Other punishments which may be used administratively, without the use of a court of law, range from removal from one's apartment in a big city to expulsion of one's children from university, not because of the sins of the children but because of the sins of the parents. Is is a very committed person indeed who in the pursuit of his ideals will put at risk not only his own happiness but the happiness of his wife and family. The punishment on those people is perhaps the cruellest of all.

We have also, I think, to bear in mind the practical results of these massive violations of human rights. The Soviet Union is not some poor country, some country which has recently come into existence. It is a superpower. It is able to land men on the moon, and yet it is unable to provide the basic freedoms which we take for granted in our part of Europe. It believes that its system is superior to ours; and it has allies, even in our Assembly. It tries to convince us, very often by foul means as well as fair, that we should

adopt their system instead of the one which we have worked for, which we have built up. Therefore, we must take their human rights violations very seriously, more seriously than we would take those of a country in Africa or Latin America.

There is the matter of the agreements which we have signed, in particular the agreement which we signed with the Soviet Bloc in Helsinki in 1975 where they undertook, in return for certain concessions of a political and trade nature, to facilitate the reunification of families, to improve the conditions of journalists and to improve contacts between the peoples — not only the governments but the peoples — of Eastern and Western Europe. I have in mind particularly our Jewish citizens who have only recently acquired a country of their own to which many people from the Jewish diaspora, including those from the Soviet Union, wish to go. After a period of liberalization in the 1970s this exodus from the Soviet Union has been brought to a halt. Several hundreds of thousands of Soviet Jews are now not only forbidden to join their families in Israel but are also subjected to harsh penalties for having applied in the first place. The Helsinki Agreement has been most shamelessly violated by the Soviet Union in this respect. This puts in doubt not only the Soviet Union's record on human rights — because I think we have a fairly clear view of that — but also, I am sorry to say, the word of the Soviet Government and the value of the Soviet Government's signature in a whole range of other very important matters, not excluding disarmament and nuclear proliferation.

I believe therefore, Madam President, that we are going to have to consider this resolution carefully. It has been carefully debated in committee. A number of amendments have been put before you. I hope that it will be adopted by an overwhelming majority of the House, apart from the Members I am looking at now, that it will be communicated to the Soviet Government as well as to our own governments, that it will be borne in mind by our representatives in Madrid who are trying to improve the implementation and the texts of the Helsinki Agreement and that it will not be lost sight of even by those who are trying to negotiate disarmament. We hope very much that they will succeed in that. However, we cannot have real *détente* and understanding between Eastern and Western Europe so long as the very severe violations of human rights in that country, with its cultural heritage that is so valuable and so dear to us, are paramount in our minds and cause us such distress.

I apologize, Madam President, for the fact that I was unable to check and complete this report through a visit to the Soviet Union and that this report had to be put back for a month. As you probably know, I had a visa to go there, but the visa was cancelled by the Soviet Government three days before my departure.

Lod Bethell

However, I have tried to collect the evidence in an impartial way and as accurately as possible, relying on international organizations and the testimony of many people who have come out of the Soviet Union in recent years. I believe that this report is clearly based on facts and not on emotion and I hope that the House will adopt it. I commend it to this House.

(Applause)

Mr Mertes, President-in-Office of the Council. — *(DE)* Madam President, Members of the House, I welcome this first summarized account of the various details surrounding human rights violations in the Soviet Union. The Political Affairs Committee, and its rapporteur, Lord Bethell, have earned our heartfelt thanks for their exemplary report. I can only echo the sentiments expressed both in the report and in the address he has just delivered. I feel it a timely intervention on the part of the European Parliament, in the wake of its resolutions on individual cases of infringements of fundamental liberties and human rights violations, that it should now focus world attention, through this resolution, on the various aspects of human rights violations in the Soviet Union which have been catalogued — I repeat, those human rights violations in the Soviet Union which have been catalogued.

In this way the point is being driven home to the Soviet Union that the European Parliament is acutely aware of the treatment meted out to the imprisoned and persecuted and of the plight of those who express the desire to emigrate. Allow me to highlight the particular significance of this report for the thousands of Germans in the Soviet Union who have been waiting for decades for the granting of exit visas to enable them to rejoin their families in the Federal Republic. For many, the very act of applying for exit visas has brought forth retribution. Those who have spoken out in favour of the rights to such Germans now find themselves behind bars. Other ethnic minorities in the Soviet Union are treated in similar fashion — in this respect Lord Bethell has referred to the plight of Soviet Jews.

The Political Affairs Committee's report focuses attention on wider, and heretofore unknown to all but a few Western observers, difficulties in everyday life which either confront or at least could conceivably confront Soviet citizens. In my national capacity I should like to apprise Parliament of some facts of which it should be aware.

Since the establishment of diplomatic relations between the Federal Republic of Germany and the Soviet Union, in 1955, a total of 92 084 Germans have been granted visas to emigrate to the Federal Republic under the family reunion scheme instituted by Konrad Adenauer. Since 1976, the year in which it reached its peak with 9 704, emigration from the Soviet Union to the the Federal Republic has shown a

continuous decline, in stark contrast with the vocabulary of detente. To provide an order of magnitude, in 1981 only 3 773 Germans were granted visas to emigrate from the Soviet Union and in 1982 the figure had fallen to 2 071. In October of that year only 125 Germans were granted visas; the following month the figure was 126, and in December 112 — the lowest monthly total of 1982. In January 1983 there were 113, in February 105, in March 127 and in April of this year 123.

The census carried out by the Soviet authorities in 1979 revealed a total of 1 936 000 ethnic Germans in the Soviet Union. The German Red Cross Association has catalogued a total of 88 000 applications for exit visas from ethnic Germans in the Soviet Union which are currently pending. Both the former and current Federal government have constantly conveyed to the Soviet authorities the considerable political significance they attach to a smooth and unbureaucratic processing of exit visas from ethnic Germans and have furthermore informed them that the report before the House will be viewed as a test case of the credibility of Moscow's pronouncements on peace, human rights and detente.

Madam President, with your permission I should like to take up the question raised by the Members Schall, Blumenfeld, Habsburg, Kontikas, Hahn and Janssen van Raay, which falls within the general heading of this report and whose subject-matter deals with the specific question of human rights violations perpetrated by the Soviet authorities in the construction of the natural gas pipeline linking Siberia with Western Europe. The Ten have kept a careful eye on reports appearing in the international press to the effect that Soviet hard-labour detainees have been drafted in to assist in the construction of the pipeline. On the basis of the information in the possession of the Ten I am not at present in a position either to confirm or deny the veracity of such reports.

For some time now the Ten have made strenuous efforts to ensure the implementation of the broad humanitarian provisions of the Final Act of the Helsinki Conference on Security and Cooperation in Europe (CSCE) as well as the everyday implementation of human rights and basic freedoms pursuant to the human rights charter, both in the CSCE review conference in Madrid and in other authorized forums. This applies equally to the reports which form the basis of the question tabled by the Member of the House to whom I have just referred. Should those reports be corroborated they would call for further examination in the context of the CSCE review conference in Madrid. The Community as such, however, is not invested with the legal authority which would enable it to overturn contracts entered into by private enterprises pursuant to the applicable laws of the individual Member States concerned, and which do not contravene Community law.

Mertes

Various studies, particularly those carried out in the United States, amongst which a report presented by the State Department to Congress in November 1982, have underscored the fact that hard labour remains an integral part of the Soviet penal system for crimes deemed to be of a political nature and of its economic system as such. As to the specific issue of the Siberian pipeline there is reason to believe that hard labour detainees were drafted in to complete the preparatory work.

A hearing jointly sponsored by the International Human Rights Organization and the Sakharov Committee had no additional information to report in this area at its meeting in Bonn on 18/19 November 1982. Individuals questioned on these matters had all emigrated from the Soviet Union prior to the end of 1980. Statements from these witnesses referred exclusively to the conditions surrounding the Soviet domestic natural gas pipelines which have been in existence for many years now, and not to the new Siberian pipeline on which work only commenced after those witnesses had left the Soviet Union.

A further report by the U.S. State Department to Congress on 9 February 1983 under the title 'Forced labour in the Soviet Union' revealed no additional information likely to shed further light on the subject. The extensive coverage of this topic in the Western mass media, which appears to have subsided of late, found a broad echo in the world arena, a fact which, taken in conjunction with the efforts of Western governments should probably have the knock-on effect vis-à-vis the Soviet authorities of creating more transparency in this affair. At any rate this is the main thrust of our efforts. We hope these efforts towards transparency will not fall on deaf Soviet ears. I would add that those with a clear conscience need not fight shy of transparency. The principle of transparency is an indispensable prerequisite of confidence-building in the international arena. This applies to the efforts to attain credible disarmament, as foreign minister Genscher has repeatedly stated, but it is no less true of the efforts to achieve verifiable adherence to human rights.

A final remark : as you are no doubt aware, the ILO (International Labour Organization), a body which has promised an exhaustive on-the-spot investigation of the press reports, concerning the working conditions on the Siberian pipeline, has had an invitation from the Soviet authorities to go there and see for themselves. For the moment I can only express the desire that they take up the invitation and use it to carry out the investigation along the lines they indicated and in so doing contribute towards clarifying the state of affairs you have raised.

(Applause)

Mr Alavanos (COM) — *(GR)* I think a serious point of order has arisen with regard to the speech by the

spokesman of the Council. If Mr Mertes spoke on behalf of the Council we believe that what he said actually bears no relation to the positions of the Greek Government which is a member of the Council. I want to ask whether Mr Mertes conveys to this House the positions of the Council or the positions of Mr Kohl and Mr Strauss. This is an important point.

President. — Mr Alavanos, the President-in-Office of the Council is certainly aware of the political significance and import of the statement before Parliament : he has, therefore, sole responsibility therefor.

Mrs Van Hemeldonck (S). — *(NL)* Mr President, Socialism has always been a champion of the weak and minorities. As Socialists we cannot stand by and watch Socialism being misrepresented as approving of outrages or defending a regime that stamps on the rights of the weak and minorities, that oppresses and persecutes religious, ethnic, cultural or sexual minorities. The media and pressure groups sometimes take note of Nobel Prize winners, of academics and writers of international repute. But the powerless, the manual workers, women, minorities, they often stand completely alone.

That is why I wish to illustrate a few of those cases today. In a resolution I have already drawn Parliament's attention to the case of the mathematician Valeri Senderov who was sentenced to 7 years imprisonment and 5 years' internal exile for publishing a brochure on the free trade union SMOT. Then there is the case of Isaac Shkolnik, a simple manual worker who repairs radios in a factory in Vinitza, where he is also a member of the Jewish community. His application to emigrate to Israel was interpreted as anti-Soviet propaganda, and when he invited some colleagues at work, who happened to be British, to his little daughter's birthday party that was seen as espionage.

Let me give you an example of some women : Natalia Lazareva, a feminist, criticised the place allocated to women in society, just as I do in my Community, in my own culture, in our own Europe. She expressed the same criticism in the Soviet Union, was promptly arrested, imprisoned and stripped of her rights. Ida Nudel, a Jewess, applied for an exit visa to Israel where her relatives live. She too was imprisoned, then threatened with internal exile and finally wandered around for months on end because no one would give her a residence permit. On behalf of the Socialist Group I demand respect for the human rights of all persons in the Soviet Union.

Mr Schall (EPP) — *(DE)* Madam President, fellow Members, the ultimate policy goal of the ten Member States is the preservation and promotion of peace and the achievement of respect for human rights throughout the world. With this commitment in mind I should like, on behalf of the European

Schall

People's Party, to indicate the motives and expectations underlying our unqualified support for the motion for a resolution now before the House. Without further ado I should like to compliment the rapporteur, Lord Bethell, on his painstaking, balanced and factual account of the systematic and institutionalized human rights violations in the Soviet Union. The report is, globally, politically courageous, consistent and its matter-of-fact style of reporting blazes a trail for the future of mankind.

This report addresses itself to an hereditary defect of mankind as a whole. The history of mankind is part and parcel of violations of, and disregard for human rights. Is there a people, a state or a culture of note which could claim exemption on their past or present record? The idea, first expounded by the ablest minds decades earlier, that there must be a higher goal in the development of mankind, than power politics and restrictions on freedom of thought and that there are, furthermore, inalienable human rights imparted by God and Nature, only began to be applied some two hundred years ago in Western civilization. And such lofty ideals only became a political reality in Western democracies some decades ago. The report may be considered politically courageous for there is an absence of hypocritical indictments, which stems from the full awareness of our own past. Underpinned by a realistic assessment of the responsibility shouldered by a contemporary superpower for the development of mankind, the report proceeds to confront the Soviet authorities with the reality of their actions and, in so doing, to appeal to them to mend their ways in the interests of peace and detente.

The report is consistent in its refusal to take the soft option by focusing attention exclusively on the human rights violations perpetrated by the less significant powers in the world arena. The report is keenly aware of the significance of its action in addressing itself to a superpower such as the Soviet Union. It is regrettable that many Community citizens, including quite a few of our youth, focus attention on human rights violations in the far-flung corners of the globe, while at the same time seeming to pay scant attention to the human rights violations and the repression of the right of self-determination in East European states which border our own Community. From its inception the Community, through the voice of the European Parliament has roundly condemned human rights violations throughout the world and yet its voice has gone unheard in the totalitarian states despite revolutions by the oppressed and civil uprisings. Nothing undaunted, the accumulated outrage and anger are repressed time and again, by repeated violations of the most extreme form and scope. But what is the most expedient way of condemning such an institutionalized system of human rights violations inextricably intertwined in the state network of a nation which has long been molded into a superpower, immune from outside attack but constantly on

the look-out for ways of exporting its ideals throughout the globe? Human rights violations in the Soviet Union may be ascribed neither to the force of circumstances nor to indifference.

They are, rather, an integral part of an immense state apparatus responsible for its organization and implementation. They have elevated them to an unofficial state creed, to an unwritten constitutional reality. Their solemn pledges before the United Nations and the Conference on Security and Cooperation in Europa (CSCE) together with their own written democratic constitution of the USSR must be perceived by their own subjects and by humanity at large as an unsurpassable exercise in cynicism and of ice-cold misanthropy.

How can one take seriously the Soviet Union's global propaganda, their appeal for detente, their call for progress in the sociological development of mankind when human rights and century-old struggles for self-determination are being trampled on in the Soviet's own back yard? How can political pretension and reality be allowed to diverge to such an extent in the long run? Historically, institutionalized tyranny, as personified in totalitarian regimes of every hue, whether practised by large empires or small states, were primarily characterized by two aspects: irrespective of the underlying ideology, those in power always had the conviction that brutal repression of the human rights of their subjects was a prerequisite for the ultimate attainment of their goals; secondly, and as a direct result of the first, their regimes were predestined to be of relatively short duration — no more than a time-span in the lives of their citizens.

In closing I would draw attention to the contemporary Soviet regime with its three million strong state officials now finding themselves at bay, before the inevitable historical alternative — either that of being sooner, or later, swept away by its own citizens in a bloody upheaval to attain more freedom, or alternatively, through timely insight, of rescinding the totalitarian character of the state apparatus itself — in a word the restoration and universal applicability of inalienable human rights. Only then can the Soviet Union be considered a true partner in a peaceful, non-repressive relaxed development of mankind. This moral-intellectual support underlying the present motion for a resolution entitles us to say that it encourages a better, peaceful and free future for humanity.

(Applause)

Mr Tyrrell (ED). — Madam President, this is a moderate resolution and it is moderately presented. Even so one is filled with anger and grief as one reads this meticulous record of the facts. They have been endorsed this afternoon as accurate by the President-in-Office of the Council of Ministers. There is no propaganda amongst them — they speak for themselves.

Tyrrell

Now I am happy to tell the House that so impressive is this record of the existing situation in the Soviet Union that it has been reproduced in pamphlet form substantially in the way in which the House has it by an association of which I am the treasurer and also, Madam President, it has been reproduced in Russian. Now how are we going to get it into Russia? It cannot be broadcast because the broadcast would be jammed and it cannot be telephoned because the telephones have been cut off. How can we get it into Russia? That is a question I pose to this House.

Madam President, this morning the President-in-Office of the Council reminded us that in the view of the Council peace and human rights are inextricably intertwined. I entirely agree. I think one should say that the greatest step that could be taken on this planet today towards lasting peace would be the introduction of free speech into the Soviet Union.

(Applause)

Mr Adamou (COM). — *(GR)* Mr President, I will remind all those self-styled defenders of the human rights which are supposedly trodden underfoot in the Soviet Union and the other socialist countries, all those with names variously prefixed by 'Sir', 'Von', and 'De', and the host of social fossils of history, of the words of the famous Greek writer, Nikos Kazantzakis. When, twenty-six years ago, some colleagues of today's crusaders for humanity put to him the same arguments concerning the supposed disregard for human rights in the socialist countries, Kazantzakis declared: 'We have been nauseated by the crocodile tears of those who care for nothing but their own material interests. Beneath the mask of philanthropy and love of liberty we behold the repulsive face of those who trample on liberty as soon as it goes against their selfish interests.' All those gentlemen who growl here against the Soviet Union are apathetic and indifferent about all the horrific crimes committed by governments and organizations of the infamous capitalist world in Cyprus, Ireland, the Lebanon, Palestine, Nicaragua, El Salvador, Chile, Turkey, the United States and South Africa. With their support and the Scott-Hopkins resolution the racists of Pretoria have applied themselves to organized genocide and every form of violence in the hope that they will thus be able to subjugate the five times larger African population of the country. With their support six South African patriots were sentenced to death on 5 August 1982 and are now about to be executed. With their support the leader of 20 000 000 South African blacks, Nelson Mandela, has been in a racists' jail for over 20 years.

Gentlemen, we ask you: have you ever protested about any of these crimes? No, because moral torpor always characterizes a world in decline such as yours. We cannot kill off ideas with a pistol. In the words of

the American Senator White: 'We must confute them with better ideas'. But the capitalist world has no better ideas. Historically outmoded and socially moribund it has ground to a halt, and its representatives try to delude us with contrivances like those marshalled here by Lord Bethell and von Mertes. These gentlemen pride themselves on their democracy and tell us that under this system individual freedoms operate to the full and that the human personality develops freely. According to their claim we ought to believe that poverty, unemployment and the daily anxiety about getting by in life which torments 250 000 000 of the Community's 270 000 000 inhabitants constitute respect for human rights and are favourable conditions for the development of freedom and of the human personality. How reminiscent this is of the crocodiles who cry as they prepare to tear their prey to pieces! That is why we shall vote against the motions.

Mr Gawronski (L). — *(IT)* Madam President, the long list of penal sentences with which Lord Bethell's excellent, well-considered report is interspersed, sounds like a very serious and tragic charge against the Soviet Union, which identifies the rejection of subjection with criminality and unsoundness of mind.

The rapporteur — with his expert knowledge of the Soviet Union — was right to put what he defines as the systematic violation of almost every human right, to the detriment of almost every Soviet citizen, at the beginning of his report. Although the West may be all too familiar with the sad fate of the dissidents, the minorities and those who, at great risk, actively try to infuse a minimum of tolerance and humanity into the Soviet system, it is perhaps less aware of the fear of simpler folk who are not so politically committed: the fear of that mass of citizens who still, today, for fear of retaliation, avoid and are afraid of any contact with foreigners beyond an exchange of conventional commonplaces.

Before entering this Parliament I spent two years in the Soviet Union, and witnessed the immense and admirable courage of the opponents of the regime who, risking years in prison, are trying to put the Soviet system on the road to civilized development.

I also observed the complete, all-embracing control that the regime exercises over the population and, in consequence, the sad fact that the heroic gestures of protest made by those who aspire to freedom were of purely symbolic value. For this reason, in addition to making accusations, what we have to do here today is ask ourselves what we can do to bring about a reduction in — I don't go so far as to say the end of — these systematic violations. What can we do to induce some sort of improvement in a system that represents the worst military threat and the most serious political challenge facing the West today?

Gawronski

I fear, alas! that we can do — or rather, we can achieve — very little; the history of the last decades shows that the Soviet system is not only perfectly alien to Western values, but is also impervious to attempts to change it.

Some people believe that trade might be one means of inducing the Kremlin to improve its conduct where the respect of human rights is concerned. There are two theories along these lines. One claims, 'Let us carry on as much trade as possible with the Soviets; when they become accustomed to using our cars and our computers, they will become more like we are'. The other theory is the exact opposite: no trade, so as to oblige the Russians to solve their problems on their own, so that they are forced to concentrate on the reform of their system.

But perhaps the Yugoslav writer Milo Vangilas is right when he maintains that the Soviet system is incapable of evolution of any kind, because any change of route would bring about its immediate collapse from inside, as well as that of the regimes of Eastern Europe.

The ingenuous hopes that accompanied Andropov's rise to power, the illusions of those who considered him a Liberal and a reformer, have proved themselves unfounded. Under his leadership, repression continues as before, and I see no point in quoting examples. One will suffice: the new Soviet leader has not even shown himself capable of granting Andrei Sakharov the freedom to leave his country. That would have been a very widely welcomed gesture, which would have cost so little.

Such is Soviet reality.

We have little hope of changing it, of lightening the lot of those who oppose the Kremlin: but we have the moral duty to do everything possible to try to achieve success. From this standpoint the Bethell report is a most useful document, and we shall vote in favour of it.

(Applause)

Mr Ansquer (DEP). — *(FR)* Madam President, ladies and gentlemen the presentation of Lord Bethell's report has aptly followed upon the broad debate introduced by Mr Gerard Israël's report this morning. This public discussion is justified on several essential grounds. Firstly, human rights are consistently violated in the Soviet Union — on this the evidence of writers, scientists, foreign observers, and journalists agrees. Despite the familiar difficulties, some conclusions of investigations have also managed to reach us, and they provide further confirmation of what we already know.

Secondly, the Soviet Union has made international commitments; in particular, it is a signatory of the Helsinki agreement.

This debate is justified also because millions of men and women are concerned. It is towards them that we should turn our attention. It is above all for them that the European Community should formulate a European policy of human rights and employ every means to implement it.

Finally, the Soviet Union and its satellite countries are European countries. They are our close neighbours. Their battle to improve the human condition is our own battle. Respect of human rights in the Soviet Union implies the incorporation of essential freedoms and democratic rules in all the acts of the Soviet state. Madam President, ladies and gentlemen, the European Parliament should direct all its efforts to this end, and support the Council in this difficult but noble mission.

Mr Vandemeulebroucke (CDI). — *(NL)* Mr President, ladies and gentleman, I wish to congratulate Lord Bethell on his report. The documentary evidence he has collected on breaches of the most basic rights is really damning. Not one of us can close our eyes to the systematic denial of the individual's freedom of conscience. No one can ignore the network of labour camps and psychiatric institutions. But perhaps the report would have served an even greater purpose if it had devoted more attention to the systematic repression of ethnic minorities. Mention is made of the German-speaking minority, of the Crimean Tartars, but I want to draw your attention to the unscrupulous suppression of nationalists from Estonia, Latvia and Lithuania — and these are poignant examples.

The question basically is what we as a European Community can do in specific terms. First and foremost, of course, the Ten must speak with one voice. Dr Mertes put his finger on it this morning when he said that the Member States have not sufficiently correlated their basic attitude on the respect of human rights. European Political Cooperation is the appropriate channel to use continuously to urge respect for the Helsinki Agreements and a debate on human rights at the Conference of Madrid. The Community's power of persuasion stands or falls with its own credibility, and that can only exist if European Political Cooperation adopts one and the same stand on all countries where human rights are violated, irrespective of the commercial or strategic and military links the Community has with those countries.

Our weak-kneed attitude to Turkey, to some African and Central American countries is very telling. And the Community will only be credible if it sets an example within the Member States of how human rights should be correctly respected. How credible are we as a Community if we are seen to be sharing responsibility for pressure and violence through our degrading arms trade in all parts of the world?

Vandemeulebroucke

I hope this debate on human rights will force us to think of our own responsibility, for it is the pre-eminent duty of our Community to offer an alternative to the major power blocs, which could be to re-think the meaning and present application of the universal declaration of human rights. Is it not absurd, for example, that the most basic rights are not recognized internationally? I am thinking of the right to life and survival not enjoyed by the millions dying of starvation today. And the right to peace is equally fundamental. There is no right to one's own integrity if it is not rooted in the right to a dignified existence and the right to peaceful development. If European political cooperation were to contribute by accepting responsibility here, then the Community will have helped greatly towards *détente*. Then we will also be seen to have learned the lesson of the horror of infringement of human rights as illustrated so clearly by Lord Bethell.

Mr Ripa di Meana (S). — *(IT)* Events of the last few days have shown how timely Lord Bethell's excellent report is. The Nobel Prize winner, Sakharov, who has been kept in enforced isolation since 1980 in the closed city of Gorki, cannot go to Vienna University because the Soviet authorities consider him an 'enemy of the Fatherland' in their country: and despite Mr Andropov's half-promises to Mr Marchais, Anatoli Sharanski has not been released.

In recent weeks in Moscow, Leningrad and many other centres of the USSR, trials have taken place and heavy sentences been imposed on activists of Amnesty International, the Helsinki Watch Group committees, the free trade union, the Catholic Committee for the Defence of the Faithful in Lithuania (Father Swarinskas was sentenced to 7 years' hard labour) the Pentecostals, the Committee for the Defence of the Crimean Tartars, the Committee for the Protection of the Germans of the Volga and the committees of Soviet Jews who wish to emigrate to Israel.

In conclusion I would recall the very recent sentences against the caricaturist Viaceslav Sissoev, who is very well-known for his cartoons on the human robot, and who was sent to prison for two years, and — last Friday — Alexis Smirnov, the engineer who wrote for Samisdat, the review of current events, and who was condemned to 6 years' hard labour.

200 days have passed since Mr Andropov came to power. It has to be said that the situation in the USSR has become even worse, and that, today, repression of any form of dissent is systematic and extremely severe. It is to be hoped that our countries will take this very real state of affairs into account at the Madrid Conference and stand by its amendments to the reticent text submitted by the neutral and non-aligned countries, so avoiding a fresh desertion by the West, which

would give the Soviet powers a free hand for new persecutions.

Mr Pöttering (PPE). — *(FR)* The comments of the Greek communist Member, Mr Adamou, are really quite revealing. I can only say that I wish he had stayed on for the rest of the debate. He quoted from the writings of a poet and one is forced to conclude that the writer in question must be living in the West, given the restrictions to which those in the Soviet Union are subjected: the Greek communists would earn unstinted praise if they were to concentrate their efforts on attaining freedom of speech for Soviet writers!

(Applause)

In a year in which Christendom — Catholics, Protestants and Orthodox alike — are celebrating the 500th anniversary of the birth of Martin Luther, the Soviet Union is not only the sole European nation to perpetrate an act of aggression against another State — Afghanistan — but also against its own citizens, such as Jews but also, of late, against Orthodox Christians. It will suffice to cite a few names: Zoja Krachmalnikowa, Edmond Avetian, Rafael Papajan and Georgij Chomiozuri. As the freely-elected European Parliament we roundly condemn human rights violations throughout the world but our most urgent task is that of ensuring respect for human rights in Europe: in the Soviet Union, in Poland, in the GDR — the other part of Germany — and in the remaining States of Eastern Europe. I would appeal to the Council of Ministers, so ably represented today in the person of Dr Mertes — a committed supporter of human rights throughout the world and knowledgeable expert on the Soviet Union — to take up the case of Soviet Orthodox Christians with a view to voicing the concern of the free citizens in this part of Europe and of enabling this freely-elected Parliament to offer succour to the citizens of Eastern Europe, for it is our sincere hope that Europe as a whole will one day be united in freedom and peace.

(Applause)

Mr Mertes, President-in-Office of the Council. — *(DE)* Madam President, I should like to answer the question which Mr Alavanos has put to me. Following that I intend to add a few brief comments stemming from the conduct of this debate. Mr Alavanos requested clarification as to whether my answer to the question concerning the working conditions on the Siberian pipeline reflected the views of two government parties in the Federal Republic or alternatively those of the Ten. The latter is the case. However, you are quite right to the extent that all democratic parties in the Federal Republic subscribe to the terms of the answer as given. I completed my answer with the addition of a few facts which I felt would be of interest to the European Parliament. Facts are verifiable and I invite you, Mr Alavanos, to do just that, after which I

Mertes

have no doubt that you would be convinced of the veracity of the statements of the Council's representative.

(Applause)

Speaking in my capacity as a member of the Federal Government I commented on the plight of ethnic Germans in the Soviet Union, to which not only the presidents of the Christian Democratic Union (CDU) and its sister party the Christian Social Union (CSU) subscribe, but also the presidents of all democratic parties in the Federal Republic and indeed all Federal Governments for decades. I am, however, unaware of the Federal communist party's stance on this matter.

The Members Alavanos and Adamou quite rightly — if I may be forgiven for an injudicious choice of words — pointed out that one cannot apply a selective morality and a selective human rights policy. With this in mind I indicated earlier this morning that the principal merit of Mr Israël's report on behalf of the Political Affairs Committee lay in its impartiality. I feel sure that my commitment to such global aspects of human rights will not have escaped your attention.

I can only add that in invoking specific cases in specific countries, you have both omitted one part of the globe. Neither the Political Affairs Committee nor I have left such a blank.

Furthermore I should like to take this opportunity of drawing the attention of the house to a renowned pioneer in the struggle for peace, disarmament and human rights. I feel sure that those who are aware of his struggle will join with me in expressing our unreserved admiration for Andrei Sakharov.

(Applause)

Such a reference was long overdue in this House and I would point out that there are Soviet writers now living in the West, such as Lev Kopelev, now living in the Federal Republic, who never tire of reiterating that disarmament and peace are inextricably intertwined with human rights.

One of the greatest services rendered by recent church pronouncements on the subject of peace is their belief that peace means more than the mere prevention of war but also, and primarily, respect for human rights. Thus the German synod of catholic bishops, with the unqualified support of, among others, their Swiss counterparts drew attention to the fact that more was involved than averting the risk of outright war — which they declared self-evident — but that totalitarian expansion entailed the curtailment of human rights within their spheres of influence while constituting a threat to our own freedom.

In closing, I would like to address all young people, and for that matter, people of every age, irrespective of their intellectual and religious convictions, who are preoccupied with the issue of peace: averting war is

what is at stake here. Only weapons which act as a deterrent can be justified. But peace is more than simply averting war. The preservation of peace presupposes the existence of a world, in these times of tension, which will be ultimately characterized by universal adherence to human rights and international law. Peace through human rights; peace through international law — such is the positive programme which the efforts to avert war must complement.

(Applause)

Mr Haferkamp, Vice-President of the Commission. — *(DE)* Madam President, to begin with I would like to congratulate the rapporteur, Lord Bethell and to emphasize the Commission's unqualified support for the statements of the President-in-Office of the Council, Dr Mertes.

The Commission has drawn attention in this forum to the particular importance it attaches to the issue of human rights in conformity with the final act of the Helsinki CSCE conference. The resumption of good, neighbourly relations, which also includes economic cooperation, can only be guaranteed on the basis of mutual trust. Respect for human rights is, however, an indispensable element of such trust. The Commission welcomes Parliament's emphatic endorsement of such a relationship.

President. — The debate is closed.

The vote will take place at the next voting time.

4. Elections to the Parliament in 1984

President. — The next item on the agenda is the report (Doc. 1-247/83) by Mr Klepsch, drawn up on behalf of the Political Affairs Committee, on the proposal for a Council statement (Doc. 1-1355/82) on the setting in 1984 of the date of elections to the European Parliament.

Mr Klepsch (PPE), rapporteur. — *(DE)* Madam President, ladies and gentlemen, it is quite surprising that we should be discussing the question of the date of the second direct elections to the European Parliament, since 7 to 10 June appeared to be just the right time to hold these elections after five years. These dates coincide, however, with Whitsun, which is why we now have to decide on alternative dates. We note with surprise that so long a debate on possible dates was necessary. The body responsible for taking a decision in this matter, the Council, was unable to reach agreement. In the conciliation procedure between Parliament and the Council, Parliament's delegation tried to fix a mutually acceptable date on the basis of its own proposal, but the Council was unable to take a final decision. This explains why the House is having to discuss the matter today on the basis of the report of the Political Affairs Committee.

Klepsch

One sensible recommendation we made was accepted by the Council. As the time for the elections is known five years in advance, the attempt should be made to prevent the election dates from coinciding with public holidays and so on by giving some thought to dates that are acceptable to all ten Member States beforehand. We hope that this procedure will be adopted in future.

I should like to begin by saying that the Political Affairs Committee regrets that, although Parliament has done its duty, we have been so unsuccessful. As the Council instructed us to do in the Act, we discussed an electoral law and adopted it by the appointed date. The Council considered this electoral law for several months and then failed to take a decision. We regret this, because we should at least like to see it ensured — and we say as much in the motion for a resolution — that every Community citizen can vote in the elections to the European Parliament this time, and at present this is not ensured.

I would stress, however, that most Members of Parliament are fulfilling their mandates. This put the Political Affairs Committee in a difficult position because, of course, all the possible alternative dates had long since been discussed in the Council. Each time it encountered some difficulty or other, which we too naturally encountered in our internal deliberations.

I realize that various Members regret the absence of an explanatory statement in our report. But in view of the situation, with things still fluid even now, we felt it better not to provide a written explanatory statement but to instruct to the rapporteur to present it orally.

The Political Affairs Committee asked itself three questions. If the Council cannot find a mutually acceptable date and is waiting for a proposal from us, should we submit several proposals or only one? The rapporteur was inclined to make one proposal in the report and to give two alternatives in a footnote. The Political Affairs Committee decided unanimously that we should make one proposal because it was essential for a decision to be taken and because Parliament should prove that it is capable of taking a decision.

The second question we asked ourselves was how we should weight the objections to the various dates raised by the representatives of one or other or even more than one Member State. The rapporteur will not conceal that he had regarded the dates originally considered, 24 to 27 May, as the most suitable, but we were unable to discuss these dates because the Council had already ruled them out during earlier discussions. It was therefore Parliament's task to consider the other dates. And after long discussions, we eventually agreed not only to propose but also to agree on dates we all found acceptable. We knew that, whatever dates we decided on, reasons could be found for saying that others would be better.

I should like to thank all my colleagues for their willingness to compromise, and I too had to make a concession before we were able to agree on 14 to 17 June. This represents a departure from what would normally have been the election period by only one week. These dates will undoubtedly raise various problems, but none so great as to prevent the elections from being held as required throughout the Community on these days. And so the Political Affairs Committee was able to agree on these dates, with the approval of all the political groups in the House represented at the time — by chance there was no one there from France, which happens from time to time, but we know that there are no difficulties in France. This may give the Council — this is my third conclusion — an added chance to agree on a compromise set of dates, although we know, as I have already said, that it would have been better if we had started thinking about dates three years in advance. Then we could have had coordination with all the national calendars. This was not done, and we must now make the best of the situation. I believe it can be said that the Political Affairs Committee has done its work well since its decision shows that this House can reach agreement even on a question of this nature and has a joint European solution to offer.

We realize that the dates for the elections are no more than a marginal question and that the important point is that all the citizens of the European Community have the opportunity to cast their vote in the elections to this Parliament. We therefore link the debate on this subject to an urgent appeal to the Council to see to it that all formal or legislative obstacles preventing Community citizens from voting are removed. We submitted our proposals in this respect to the Council during the conciliation procedure. We maintain that this House sees the second European direct elections as an opportunity for presenting itself to the citizens of this Community and for stating what it has done in the last five years. We therefore sincerely request — and I say this on behalf of the Political Affairs Committee — every Member of the House to give this question some careful thought, so that we may take a decision, if possible by a large majority.

I should like to make a brief comment on the amendment. I am not in favour of it. We have, of course, considered the dates recommended by Mr Hutton in committee. His proposal smacks a little of the 'I'm all right, Jack' attitude. These dates suit the United Kingdom, but not Denmark or Greece. We are aware of that. That is the case with every set of dates. There might have been many other amendments, suggesting four or five other dates. I am grateful that they were not tabled, because we have discussed all this at length in the Political Affairs Committee. Hence our decision to propose a compromise set of dates.

Mr Schieler (S). — *(DE)* Madam President, fellow Members, let me state at the outset that the Socialist Group will lend its support to the polling date proposed by Mr Klepsch on behalf of the Political Affairs Committee. In the absence of any obvious polling date it was obvious that compromises would have to be made all round. Article 10, paragraph 2 of the electoral act of 1976 stipulates that elections should normally be held from 7 to 10 June 1984. As this coincides with Whitsuntide it would appear judicious to alter the date — something which is, in any event, provided for under the electoral act — to sometime before or after Whitsun. The date originally suggested by the Council, 17-20 May, posed a special problem for Denmark. The Klepsch report, taking account of this difficulty, has opted for 14-17 June 1984. The special significance of the polling date for the Federal Republic, 17 June 1984, means that it falls on the Day of German Unity, a day on which the division of Germany is recalled and the goal of German reunification revived. I consider it an auspicious omen that the Day of German Unity should be the occasion for an important chapter on the way towards European unity.

Allow me to express my regret at the Council's failure to adopt a common voting system Community-wide for these second direct elections at universal suffrage. It would have been a significant step forward for the Community if all MEPs could have been returned on the basis of a common voting system. At the very least we could have expected the Council to take the necessary steps towards guaranteeing the enfranchisement of all Community citizens, irrespective of the Member State in which they reside. The Council's abject failure to adopt such a ruling is a bitter disappointment to us and yet a further reminder that the hung Council is the real brake on European unity.

I am pleased to see that you followed my address, Mr Mertes, for which I thank you!

Mr Seitlinger (PPE). — *(FR)* Madam President, ladies and gentlemen, it would certainly be superfluous, after the speeches by Mr Schieler and the rapporteur Mr Klepsch, to stress our regret at the Council's failure to retain any of the provisions we had proposed: neither the uniform electoral system, nor the active vote which would have allowed the great majority of our fellow citizens to participate in the European elections, nor the proposal aimed at limiting the period of the next European elections to two days, Sunday and Monday. If it had been accepted, this last suggestion could also have contributed towards the choice of a date. In any case, it is important that the Council come to a decision concerning the dates of this next election of May or June 1984. Having withdrawn its own proposal, it is left with only the dates proposed by our Committee

on Political Affairs and adopted almost unanimously, that is, the dates of 14 and 17 June.

After having participated in the meeting of our parliamentary delegation with the Council of Foreign Ministers, I did not receive the impression that there were serious difficulties in any State. Therefore, if we want to allow the largest number of our fellow citizens to participate in these elections — many workers have to make arrangements for their 1984 vacations now — it would be highly desirable for the Council to lose no time in fixing upon the dates we have suggested, 14 and 17 June of 1984.

One final remark. I think that the Council should also make an attempt to fix the dates for the 1989 election. This would not be presuming on the powers of Parliament for the next legislative period. I think it would be wise and set a good example to fix the dates for the 1989 elections even before the elections of June 1984 have taken place.

Lord Douro (ED). — Madam President, I would like to congratulate Mr Klepsch on reaching agreement amongst all the political parties on a new proposed date and certainly this group supports the date of 14-17 June next year. The original dates proposed by the Council — 17-20 May — would not have been good dates in our opinion. It would have been two weeks after local elections in the United Kingdom and therefore there would have been an overlap between the local campaign and the European campaign. And in Denmark, 18 May next year is a public holiday so that would have been a bad date for Denmark.

As Mr Klepsch said, there was near unanimity in the Political Affairs Committee on his entire resolution and what we need now is a quick decision from the Council in support of this recommendation.

I would also like to support what Mr Klepsch and Mr Seitlinger said about fixing a date as soon as possible for 1989.

I very much regret, however, that Mr Klepsch has decided to include in his resolution certain criticisms of the Council about the electoral system and the lack of agreement on that. We did warn that the draft act would be unacceptable to many Members of the Council. That has, in fact, proved to be the case. Several Member States had serious objections and that is why there was no agreement. We think it inappropriate to include in this resolution — which is about the date of the next election — any reference to the draft act.

Nevertheless, Madam President, we are happy to support the bulk of the resolution and very much hope that the majority of this House will vote that way in a few minutes time.

Mr Haagerup (L). — (DA) Madam President, I will go along with what has been said by the previous speakers, who joined in criticizing the Council — all except the last one. I might even counterbalance what Lord Douro said by saying that my Group would actually like to have seen the criticism of the Council couched in even stronger terms than the wording in the Klepsch report. Otherwise of course I wholeheartedly endorse the account of the rapporteur, Mr Klepsch, of what took place in the Political Affairs Committee, of which I had the honour to be chairman, when we took our decision on the report itself and hence on the date we unanimously agreed on: 14-17 June. I should like to thank the rapporteur for his flexibility and cooperative attitude in framing the report so as to accommodate the view on which there proved to be such a large majority — even virtual unanimity — in the Committee.

On the other hand I must make some criticism of the drafting of the report itself, simply because it is evidently not sufficiently clear. When I had to explain it to my Group, at least, I had some problems in setting forth and explaining what is actually in it. Now concision is usually an excellent thing, but it might be asked whether this Klepsch report has not gone too far in its summary approach. There is a need for a somewhat more detailed explanation of the reasons for the date we have now decided on and which moreover I hope the Council will now accept. For I assume that Parliament will adopt this report with a large majority and will recommend that date. But we do know that it may encounter certain difficulties. There may be individual countries in which this date is perhaps less favourable than others. I only hope that the misgivings which may arise — since we have got as far as we have — will be ignored to the extent that we want to get broad support for this report and for these dates, irrespective of any misgivings which may be felt and the criticism which the report's heavily summarized nature may elicit.

President. — The debate is closed.

The vote will take place at the next voting time.

5. Diplomatic relations between Greece and Israel

President. — The next item is the report (Doc. 1-63/83) by Mr Penders, drawn up on behalf of the Political Affairs Committee, on diplomatic relations between Greece and Israel.

Mr Penders (PPE), rapporteur. — (NL) Madam President, first of all I apologise for my late arrival in the Chamber, but I was assured that this report would not be taken this evening. That kind of thing sometimes happens.

We welcome the fact we have managed to take the report on diplomatic relations between Greece and Israel before Greece takes over the Presidency of the EEC on 1 July.

The facts first of all. Greece has recognized Israel *de facto*. Both countries maintain diplomatic representations in Tel Aviv and Athens respectively. The Israeli wish to elevate diplomatic relations to a higher level has unfortunately not yet received a response from Greece. Athens did recognize the PLO in December 1981 and accepted diplomatic representation from that organisation at the same level as that of Israel.

What does approval of our motion for a resolution actually mean? Approval first of all does not mean five things, but it does mean nine things.

What first of all is not affected by the motion for a resolution? 1. Both countries recognize that their relations are not totally unsatisfactory; there are useful contacts. 2. The European Community and European Political Cooperation are not one and the same thing. The EEC is a supranational form of cooperation, European Political Cooperation is an intergovernmental form of cooperation. 3. The *acquis politique* is quite different from the *acquis communautaire*; the *acquis communautaire* arises from the EEC application of the Community Treaties; the *acquis politique* from the application of diplomatic rules. 4. That is why acceptance of the EEC Treaties does not automatically mean acceptance of the *acquis politique*, even though I think this is highly desirable from the point of view of strengthening the political side of our Community. And 5. The formation of diplomatic links by Member States is not a matter for the EEC or the EPC but is first and foremost a matter for the sovereignty of the Member States, in this case Greece. I cannot stress this too much.

But Madam President, I have developed a line of argument as to why in my view Greece ought to recognize Israel fully.

What is actually affected by my motion for a resolution? Firstly, all Member States of the EEC with the exception of Greece maintain full diplomatic relations with Israel. That does not constitute an obligation on Greece to follow suit, but it does constitute a reason for considering opening full relations. Second: Greece is a link between Europe and the Arab world. Athens has excellent contacts with the Arab states, including Palestine, but Athens can only take full advantage of these for the benefit of the EEC if it has similar optimal relations with Israel.

Third: in a few weeks time, on 1 July 1983, Greece will assume the Presidency of the Council. If it does not have full diplomatic relations that could lead to awkward situations.

Penders

Fourth : the President-in-Office of the Council may find himself going on a fact-finding mission to the Middle East, just like Mr Thorn, Mr Van der Klaauw and Lord Carrington. Optimal relations with Israel are not a prerequisite but would certainly be a tremendous help.

Fifth : as President-in-Office of the Council, Athens would also chair the EEC/Israel Cooperation Council.

Sixth : just a statement of fact, nothing more. The Irish Republic entered into full diplomatic relations with Israel in December 1974, on the eve of that country's taking over the Presidency of the Council on 1 January 1975. I am not making any connection, simply mentioning two facts.

Seventh : we must ensure that in a few years' time Spain, which has no diplomatic relations at all with Israel, does not follow the example of Greece. I think that we in the EEC should avoid that situation.

Eighth : the previous Greek government, Karamanlis and Ralis, looked particularly towards the West, the EEC and Nato. So precisely the Pasok government, with its excellent political capital in the Arab world — and I think this argument has political clout — precisely the Pasok government could take the generous step of improving its relations with Israel.

Ninth : the European Parliament cannot force Greece's hand. We only proffer the most cautious and friendly invitation to Greece to open full diplomatic relations with Israel. That would be magnanimous to Israel and also to us, its EEC partners.

Finally, Madam President, Greece is, after all, a member of the EEC and not of the Arab League.

foreign policy, and hence on the diplomatic relations which link each country, in accordance with its sovereign assessment, with third countries whether these have association agreements with the Community or not. Moreover, there are no grounds for assuming that any such binding force and removal of part of the sovereign authority of a Member State of the Community with regard to the shape of its diplomatic relations can come into play even within the framework of political cooperation.

Consequently, Mr Pender's report and the respective draft resolution are inadmissible on grounds of principle. Concerning the substance of the matter, Mr President, we must make it clear that there have been diplomatic relations between Greece and Israel for many years. The bilateral contacts between the two countries and their trade relations in the context of the EEC-Israel association protocol have in no way been impeded up to the present. Nor will the normal development of relations between the Community and Israel be in any way impeded during the impending Greek Presidency. No convincing argument has been produced to show otherwise. When peace is restored in the Middle East, and the right of the Palestinian people to self-determination is recognized in a manner leading to the creation of an independent state, in parallel with the right of Israel to exist within recognized and secure borders, we believe that Greece will have no reason not to go ahead with the restoration of full diplomatic relations with that country.

President. — Since it is now voting time, we shall suspend the debate which will resume tomorrow.¹

IN THE CHAIR : MR ESTGEN

6. Votes²

Vice-President

Mr Plaskovitis (S). — (*GR*) Mr President, the report before us by Mr Penders and his draft resolution are the culmination of an initiative started about 2 years ago by certain circles especially interested in furthering the designs of Israel. In the context of this initiative it was first sought to get the approval of the Political Affairs Committee for a draft resolution according to which Greece has some sort of legal obligation, following its entry into the Community, to restore full diplomatic relations between itself and Israel. The utter baselessness of this conception, from both the legal and political points of view, was ultimately perceived by all, and hence the matter has come up again today with a draft resolution which ends up making a recommendation and a plea to Greece.

In essence, however, the issue at stake is no different. No provision of the EEC Treaty is binding on the

TOVE NIELSEN REPORT (DOC. 1-1363/82/I — VOCATIONAL TRAINING)

After the adoption of the motion for a resolution

Mr Klepsch (PPE). — (*DE*) Mr President, I would like to request a motion of procedure. Voting on the Barbagli report will take some considerable time but will nonetheless have to be concluded at 6.30 p.m. to make way for Question Time. Given that the sole proposed amendment to my report has now been withdrawn and in view of the unqualified support of the House during the debate stage may I respectfully request that voting on my report take place today as scheduled if possible prior to the Barbagli report thereby paving the way for a rapid decision by the Council (Parliament agreed to this request).

¹ Topical and urgent debates (communication) : see Minutes

² See Annex.

BARBAGLI REPORT (DOC. 1-61/83
EUROPEAN SOCIAL FUND)

Article 6, after paragraph 1 — Amendment No 71

Mr Ceravolo (COM). — (IT) Mr President, I should like to draw attention to a printing error: Greece was omitted from the list of regions contemplated by the amendment.

Mr Barbagli (PPE), rapporteur. — (IT) Mr President, the Committee on Social Affairs rejected this amendment. I must remind everyone that the present rules for the Fund provide for a reserve of 50% in favour of priority regions. Since I see that amendments have been presented — and moreover rejected by the Committee on Social Affairs — regarding other reserves, in particular in favour of young people, I shall have to rely on Parliament, because I cannot here express an opinion on behalf of the Parliamentary Committee even though, at this point, I can personally see that the balance that had been reached is in danger. Personally, therefore — and I emphasize that it is personally, and my personal opinion in this case does not count — I have nothing against this amendment being approved.

Article 6, paragraph 3 — Amendment Nos 96, 118, 23, 103, 116, 104 and 83/cor.

Mr Chanterie (PPE). — (NL) Mr President, we have adopted Amendment No 52 which also contains a point 3, and we have passed it. If we can debate other amendments on this point then we should also be able to do so for the previous points.

Mr Konstantinos Nikolaou (S). — (DE) We approve the amendments to items 1 and 4 but not those to item 3. We have already adopted a similar measure in Amendment 52.

President. — I shall ask the rapporteur for his opinion on this. We have indeed adopted a text *in toto* but the change only affects part of the original text while other amendments deal with other parts of the original text. Consequently, I wonder whether we might not now adopt a position on the other parts which deal with an important criterion for the application of the Social Fund.

Mr Barbagli (PPE), rapporteur. — (IT) Mr President, I think that we can no longer vote on the articles covered by Amendment No 52. We can only vote on those amendments that make additions, but not alterations: in other words, from Amendment 83 onwards.

Mr Nikolaou (S). — (FR) I agree with the rapporteur, Mr President.

Mr Ceravolo (COM). — (IT) Mr President, I should like you to explain why, having voted on Amendment No 52, we cannot now vote on No 69 which raises a problem which was not envisaged by No 52; it is a new question altogether.

President. — I think that we are now in a very awkward position. I should like to go along with you, but we have gone about this in the wrong way. Although we are dealing here with an amendment which I myself tabled and I should like to have altered part of the text, I do not think the Rules of Procedure allow us to amend by a second vote what we have already voted for. That is why I requested the rapporteur's opinion several times, but I must adhere to the Rules.

Article 9, after paragraph 2 — Amendment No 27

Mr Chanterie (PPE). — (NL) Mr President, I have asked for the floor before the vote in connection with Amendment No 26. You said that this amendment falls because of the acceptance of another amendment, but this amendment deals with Parliament being consulted by the Commission, which is clearly a new element not covered by the amendment adopted earlier.

President. — Mr Chanterie, this is the same case as before. I feel as you do, but our Rules do not allow it. We shall have to bear this in mind in future when tabling amendments. Only the part to be amended should be indicated.

After Article 9 — Amendment No 55

Mr Israël (DEP). — (FR) Mr President, may I ask, as a procedural motion, that you try to speed up the debate? I think that the rapporteur can say 'yes', 'no', or 'abstention', and that you yourself could easily grant and withdraw recognition of speakers and conduct the vote three times faster. Fifty journalists are waiting in the gallery for the vote on the report on human rights in the world.

(Applause)

President. — Mr Israël, I absolutely agree with you, we have been held up by a number of difficulties, but we shall now go ahead more quickly.

After the vote on the resolution as a whole

President. — We have five minutes to go before Question Time. We still have to vote on two reports, Mr Israël's and Lord Bethell's. Thirty-seven amendments have been tabled to the Israël report, eight to the Bethell report which will take us at least a half hour.

In addition, there will be a large number of explanations of vote.

President

I therefore put it to the Assembly whether or not we should defer these votes till tomorrow and start immediately on Question Time, in which case we shall have to cancel the group meetings.

Mr Sutra (S). — *(FR)* Mr President, I would like to have the rapporteur's opinion.

Mr Israël (DEP), rapporteur. — *(FR)* Mr President, I have already said that I felt it was absolutely necessary for this vote to be held this evening. I promise to go very quickly and give my opinion very rapidly on all the amendments. I believe we can be finished in fifteen minutes.

Lord Bethell (ED), rapporteur. — Yes, I agree with Mr Israël, Mr President. I think we should dispose of these two matters.

(Parliament decided to continue voting)

Lady Elles (ED). — On a point of order, Mr President. You may recall that there is an inviolate understanding that Question Time has an hour and a half. And since we are proceeding with the vote beyond the agreed time, could we please request the interpreters to stay on another quarter of an hour in order that we start Question Time immediately after the vote and have an hour and a half for Question Time, as has always been agreed between the presidency and this House?

President. — We shall put that to the persons concerned.

LORD BETHELL REPORT (DOC. 1-1364/82 —
HUMAN RIGHTS IN THE USSR)

Mr Alavanos (COM). — *(GR)* We have no objection to going ahead with the vote, but Members do have a right to put questions. I want to ask if there is a guarantee that the hour and a half of questions to the Council and the Foreign Ministers will take place? If there are problems I think it would be better to delay the vote on Lord Bethell's resolution.

President. — I have consulted the Assembly, it has decided to continue voting.

IN THE CHAIR : LADY ELLES

Vice-President

7. Question Time

President. — The next item on the agenda is the first part of Question Time (Doc. 1-283/83).

We begin with questions to the Council.

Before I take the first question, I understand that the President-in-Office of the Council has very kindly agreed to give us an hour and a half of his time, despite the fact that we have kept him waiting during our vote and we are most grateful to him for agreeing to do this.

(Applause)

I should also like, at the same time, to thank the staff who have agreed also to stay on for an hour extra in order to deal with Question Time on our behalf, and I know you would like me to thank them.

(Applause)

Question No 1 has been postponed until July.

Question No 2 by Mr Ansquer (H-805/82) :

Does the Council consider that the despatch to every Member of the European Parliament of documents justifying the policies of certain Member States is an action compatible with the rules of discretion which governments must observe?

Mr Genscher, President-in-Office of the Council. — *(DE)* It is not for the Council to comment on the practices referred to by the honourable Member.

Mr Ansquer (DEP). — *(FR)* I heard the Council's answer, but it doesn't satisfy me at all. Although the documents we receive are very well presented and uphold national positions, the members of the European Parliament may well feel that this is not the best way to encourage the Community spirit. For this reason I ask the Council whether there is no way to prevent the proliferation of national documents from the governments, documents which to a certain extent violate the Community spirit we all wish to defend.

Mr Genscher. — *(DE)* I can only repeat that this is not a matter for my judgement, but what I can say is that the way in which a government conveys its points of view to the Members of Parliament can vary and no Parliament can have anything against Members being provided with additional information.

Mr G. Fuchs (S). — *(FR)* I am astonished that Mr Ansquer has waited until today to put his question, seeing that this practice, as far as the French representatives are concerned, has existed since 1979. I would like to ask the representative of the Council what procedure is employed in his own country.

Mr Genscher. — *(DE)* If it is so wished, we can give the information orally, but I believe that the form — whether in writing through the press or orally — is unimportant.

President. — Question No 3 by Mr Cousté (H-821/82) :

Is the Council aware of the anti-dumping inquiry started by the Commission in respect of Turkish producers of ferrochrome? Given that this inquiry is detrimental to general consumer interests, does the Council not consider that it represents an unfair sanction against Turkey, inspired by certain private interests, which has serious implications for the Community's association with that country?

Mr Genscher, President-in-Office of the Council. — (DE) In the context of the anti-dumping inquiry which was instituted in December 1982 in respect of imports of low-carbon ferrochrome from Turkey and Zimbabwe, the Commission has consulted, among others in the Member States concerned, the principal consumers of that product in the Community, namely the manufacturers of stainless steel.

Under the anti-dumping regulations it is the Commission's task, after consulting with the Member States and in the light of the inquiry's findings, to decide whether a temporary anti-dumping duty should be introduced or not, or whether commitments within the meaning of Article 10 of the outline regulation should be required. No decision has yet been taken but I am informed that the matter is likely to be settled very soon with the exporter having to pay an import charge.

It is at this stage of the anti-dumping inquiry that the Council is being involved. Unless one has charge of the matter it is not possible to judge whether the positions taken in this case by the parties concerned are well-founded. I can, however, confirm that the Community organs will uphold the obligation under the association agreements with Turkey if anti-dumping measures in respect of Turkish exporters are considered.

Mr Cousté (DEP). — (FR) If I have understood properly, an agreement is being prepared and will soon be concluded. Mr President-in-Office of the Council, what is the nature of this agreement? Wouldn't it ultimately mean a reduction in the dumping margins? Wouldn't this result in higher production costs for the European producers you have just mentioned? And finally, would Turkey really make a commitment to use its direct investments to locate a company or a factory in the Community? Would this not tend to strengthen confidence between the Community and Turkey?

Mr Genscher. — (DE) I would point out in this connection that the Commission adopted a position on this matter at the March part-session. It stated that the dumping complaint by a large ferrochrome producer against imports from Turkey and Zimbabwe was in accordance with Article 7 of Regulation

3017/79. The prescribed consultations with the Advisory Committee furnished sufficient information about dumping and resultant damage to justify starting a procedure.

President. — Question No 4 by Mr Piquet (H-5/83) which has been taken over by Mr Wurtz :

I am seriously concerned at the major incursion launched by the USA against Community agriculture in the form of the sale of one million tonnes of wheat flour to Egypt, a traditional Community market, which accounts for 50 % of annual exports by the French flour industry alone. The price was set at \$25 per tonne below the world market rate and the contract included an exclusive dealing clause, which is incompatible with GATT rules.

This is an unmistakable affront and calls for counter-measures by the Community institutions commensurate with the scale of the encroachment and the economic issues at stake. The greatest firmness must be shown in repulsing this American offensive.

Clearly this transaction could not have been concluded if the Community had signed a long-term supply contract with Egypt as requested by the latter. We must learn the lesson from this and initiate a more dynamic export policy unhampered by any form of political discrimination. Is the Council prepared to adopt a policy of concluding multiannual agricultural supply contracts in the near future?

Mr Genscher, President-in-Office of the Council. — (DE) The Council shares the concern of the honourable Member over the sale of 1 million tonnes of American wheat flour to Egypt, a traditional Community market, on the specially favourable price terms granted by the United States. According to the information available to the Council, the price set was indeed 55 dollars per tonne, which is 20 dollars per tonne below the rate obtained by previous suppliers to Egypt.

In consultations with the American governmental authorities, which were started promptly both on a bilateral basis and within GATT, the Commission put forward the position of the Community and pointed out the damaging effects of this measure on relations between the United States and the European Community. Following this sale, the relevant Community authorities are currently considering what steps are appropriate within the multilateral framework of GATT. Furthermore, they have made preparations to react in an appropriately firm manner in the event that the American side enters into further similar deals. At all events, the Community organs consider it necessary to keep further developments under careful review, but at the same time to do nothing that could exacerbate tensions in this area.

Tenscher

As far as the framework agreement is concerned, the Council gave an answer to Question No H-505/82 in January 1983. Despite a thorough study of the Commission's draft Recommendation the Council has so far been unable to overcome the practical and material difficulties involved. Discussion included the type of products that could be covered by such agreements as well as the sometimes very different terms and commercial practices operated both by exporters from the Member States and by third countries. The Council will continue to consider this question.

Mr Wurtz (COM). — *(FR)* In view of the importance of this question, which you yourselves have stressed, do you intend to place the matter on the agenda at the next Council of Foreign Ministers?

Mr Genscher. — *(DE)* The Commission will indeed discuss this matter with the Council, but the latter will be composed of Agricultural Ministers.

Mr Howell (ED). — I am grateful to the Minister for his reply, but I have to inform him that he gave us no information whatsoever. Can I ask him if his view of a possibility of a trade war with the United States now a real possibility? How does he view the concept of that trade war and does he not really think that the Americans have some merit in their case insofar as we give an open-ended commitment to agricultural production to our producers and really we have to put our own house in order in terms of our own export restitution payments at some stage?

Mr Genscher. — *(DE)* The European Community and its various bodies, at any rate the body which I have the honour to represent — the Council of Ministers — naturally have no intention of conducting a trade war with the United States. Consequently the question of a concept for such a trade war is without substance.

You will doubtless have learned from the discussions that have been made public that there is growing support in the Council for the view that the increase in agricultural costs and hence in surplus production in the agricultural sphere should be restricted. This will most certainly reduce the tensions in the European Community's relations with the United States in the above areas.

Ms Quin (S). — Perhaps I could ask the Council the same supplementary as I put to the Commission on this subject, and it is this: what, in fact, constitutes a traditional market and how many years do you have to supply to a market before it can be called traditional? I ask this question in view of the fact that apparently we replaced Australia in supplying flour to Egypt in exactly the same way as the United States has now replaced us.

Mr Genscher. — *(DE)* I think that the definition you asked for is of fundamental importance, and one which I cannot give you offhand. I am, however,

prepared to furnish the honourable Member with the Council's opinion when the Council has agreed the matter.

Mr van Aerssen (PPE). — *(DE)* Following his statement that the European Community has no intention of provoking a trade war in the agricultural sector can the President-in-Office of the Council confirm from his experience that it is also not the intention of the United States to provoke a trade war with the European Community and indeed that the objective of the bilateral trade discussions between the Community and the United States should be that of averting a recurrence of the unilateral measures taken in the case of United States cereals' supplies to Egypt and of defining the traditional markets of the United States, the European Community, Brazil, New Zealand, Australia, etc?

Mr Delatte (L). — *(FR)* It is certain that we are currently importing cereal substitutes from the United States and other third countries; these substitute products come into the Community at reduced rates of duty, and sometimes they pay no customs duty at all.

These products compete with our own European products, which we subsequently export with charges on the budget, and it seems to me that we cannot go on using this procedure. Some day it will be necessary to work out an agreement to import fewer of the products we do not need, increase exports of our own products, and increase consumption of these products in Europe.

Mr Minister, do you intend to renew the discussion of the GATT conditions in dialogues with the United States? The distortions to which the GATT regulations have been subjected make fresh discussions necessary.

Finally, have we agreed to sign forward contracts?

Mr Genscher. — *(DE)* Your questions relate to subjects which are the province of the Commission. The Commission conducts the dialogue in the light of the questions raised by you. It is also responsible for the conclusion of forward transactions.

Mr Alavanos (COM). — *(GR)* I am afraid that the last reply given by the President-in-Office covers my own question as well, but nevertheless I will put it to him. It is a continuation of the question put by the colleague who spoke immediately before the President-in-Office. It refers specifically to the proposals of the Commission to fix quotas on Greek raisins and a number of other products, proposals which are dictated by the commitment undertaken by the Community to import similar products from the United States. I would like to ask the President-in-Office if the Council intends to oppose the Commission's proposal and to protect the interests of Greek raisin producers?

Mr Genscher. — *(DE)* I think that if members of the Council consider it necessary, the Council can deal with this matter, but it is the responsibility of the Commission.

President. — We turn now to the next question...

(Mr Aigner asked to speak.)

Do you have a point of order, Mr Aigner?

Mr Aigner (PPE). — *(DE)* I wanted to put a short question.

President. — No, sorry, Mr Aigner, may I explain that we have an agreement in the House, anyway when I chair, that we take one member from each nationality in a political group and we have already had Mr van Aerssen, who is a German, from the Christian Democrats. This is in accordance with the practice that we have been following for the last two years or year and a half in this House when I chair in Question Time. This was agreed in order that we may get on with questions and get as many questions answered by the President-in-Office as possible. So I apologize, Mr Aigner, that I cannot call you by virtue of that agreement and hope that you will accept this explanation.

Mr Pearce (ED) — Madam President, I have to challenge what you have said there. Would you please tell us when this agreement was made, whom it was made by, when it was communicated to the House and whether, in fact, it is an agreement that you made with yourself?

President. — Mr Pearce, when I make an agreement with the House I do so first of all with my own understanding and intellect and comprehension of procedural rules in order to get the best work from this House as possible. I would point out to you that if you care to read the Verbatim Report of Proceedings of this House of February last — I think it was — when I first chaired a Question Time, you will see that I put the question whether the House would be agreeable to this procedure. They agreed it, and it was therefore at the wish of this House that I have been carrying out this procedure.

It is perfectly correct to say that at any time, any Member can challenge it and can object to it. But I would point out to you, Mr Pearce, that under the guidelines and Annex of the Rules of Procedure, it is for the President to admit the admissibility of supplementary questions and I do have a duty to the House, under the Rules of Procedure, to get as many questions answered as possible. If Members put down questions for the President-in-Office or for the Commission to answer, it is the duty of the President acting — as I am doing today — to get the best value from the Council while it is present in this House.

I call Mr Pearce but I do hope you will not protract this argument now because we want to get on with Question Time, which is the task I have.

Mr Pearce (ED) — Madam President, may I just point out that what you are doing is allowing only two supplementary questions from Members of this group, whereas you allowed ten supplementary questions from the Socialist Group, eight supplementary questions from the Christian Democrats. That, Madam President is not fair and I will challenge this before the Bureau.

President. — You may challenge this before the Bureau, Mr Pearce. You can have four supplementary questions if you have a Dane and a Member from the Ulster Unionists here. But you do not happen to have them. It is very seldom that I allow more than five supplementary questions on any particular question. We have to get on with the work of this House and not be delayed by this kind of argument.

Question No 5 by Mr Israël (H-7/83):

Subject: Next meeting of the Council of Ministers for Education

Will the Council of Ministers for Education meeting on 30 May include on its agenda the teaching of human rights in the European Community, and will it then have occasion to consider the report adopted by the European Parliament on 28 October 1982 on the same subject?

Mr Genscher, President-in-Office of the Council — *(DE)* The question of instruction in human rights in the Community will not be on the agenda for the next meeting of the Council of Ministers for Education. Nor has the Commission submitted any proposals or communications to this effect.

Mr Israël (DEP). — *(FR)* Mr President, I feel justified in wondering what good it does to communicate a parliamentary decision or resolution to the Council if the document does not actually reach you.

Have you taken note of this resolution, and do you intend someday to include it in the agenda for the Council of Ministers of Education?

Mr Genscher. — *(DE)* Naturally the Council takes note of all Parliament's resolutions. Nor did I say that the Council had no information, but merely was not in possession of the relevant Commission proposals and communications.

On the matter itself I would point out — and here perhaps I am exceeding my brief a little since I naturally have not been able to get the Council's opinion on this supplementary question — that we do not see the European Community primarily as an economic self-interest community but rather as a value community resting on shared convictions of the dignity of the individual and the right of peoples to self-determi-

Genscher

nation. Consequently instruction in schools on the significance of human rights and how they have been worked out in practice should be an overriding duty, and the Community authorities should do everything in their power to further its fulfilment.

Mrs Hammerich (CDI). — *(DA)* Mr President-in-Office, you said that you will not be dealing with Mr Israël's report in the Council in the immediate future. Do you think that the Council will in future have to pay more attention to reports from Parliament if the Genscher-Colombo Declaration is adopted? In it the foreign ministers agreed on a formulation which states that the Council will respond to resolutions on matters of major importance and general interest if Parliament requests its comments on them. Do you therefore think that the Council in the future will pay more attention to the reports which are produced in this Chamber?

Mr Genscher. — *(DE)* I am happy to answer that question in the affirmative. In asking your question you have provided a further argument for dealing with the Genscher/Colombo Acts as a matter of urgency. However, I must also point out to you that in my first reply I said only that this matter would not be on the agenda of the Council's next meeting. I did not say that the Council would not be considering the matter shortly.

Mr Simpson (ED). — Can the President-in-Office of the Council tell me whether there are any plans for the next Ministers of Education meeting to discuss the question of teachers' qualifications throughout the Community? As things now stand, there are limitations on nationality for teachers in several Member States who restrict the teaching in public schools to nationals of their own country. Does the President-in-Office of the Council share my view that this is a scandal: that were teachers to be able to practise mobility and teach in other countries, this would bring the European Community much closer together?

Mr Genscher. — *(DE)* With regard to your first question, as to whether this subject will be dealt with at the next meeting of the Ministers for Education, I cannot reply to that because I do not know that answer myself.

With regard to your second question, I would only say that any restriction on freedom of movement is to be regretted, and that, not only in the case of teachers.

Mr Alavanos (COM). — *(GR)* First of all, allow me to touch very briefly on a point of order. It is not very often that we speak in support of the words or deeds of the British Conservatives, but we really do have an obligation to commend the manner in which you personally take charge of Question Time and to say

that those of us who play an active part in it actually prefer it to be chaired by you.

I would now like to put a relevant question to Mr Genscher taking into account that he has not excluded the possibility of the problem of the teaching of human rights in the European Community being dealt with by a meeting of the Council at a later date. The pupils who will have to approach this problem will commence from my own experiences. If, for example, Greek pupils ask who was to blame for the violations of human rights in Greece during the dictatorship, or who is to blame for the violations in Cyprus at present, shall we answer that the blame lies with the Soviet Union or Nicaragua?

There is nothing about this in the Israël report. To generalize I want to say that the conception one forms about human rights depends on one's ideology and political standpoint. Would it not be an impermissible intervention for the EEC, outside the framework of the Treaties, to take a position on the way member countries deal with human rights?

Mr Genscher. — *(DE)* I do not believe that a question on the violation of human rights is one that should be answered from a political standpoint. We should get out of the habit altogether of seeing the entire question as to who is responsible for violations of human rights from the standpoint of political expediency. We should rather determine where human rights are being violated and then do our utmost to counter these violations, irrespective of who is responsible for them.

No matter under what political system he lives, the individual must be able to ensure that his human rights are fully respected. The onesided approach that we often unfortunately encounter when questions of human rights are raised stems from the fact that the first question that is asked is *whose* human rights are being violated. Only then does one decide from the standpoint of political expediency whether this is to be condemned or not.

Human dignity is completely independent of political allegiances. If this is accepted, then I feel that one will not have the problems with which you are obviously still wrestling at the moment.

Mrs Tove Nielsen (L). — *(DA)* The President-in-Office said a short time ago that we have a Community of values. I wholeheartedly agree, and so my supplementary question is: can the President-in-Office say something on whether the education ministers under Council auspices will endeavour to secure the allocation of resources to provide much better facilities for the exchange of both pupils and teachers? If the rising generation is to learn something about the Community of values we have, it must also have the possibility of seeing how it functions in our Member States.

Mr Genscher. — (DE) I agree with you entirely. I would also have no doubts whatsoever but that the Ministers for Education will also see the matter in this light. I feel that this part of Question Time shows how important it is that we should hand on to coming generations the image of our Community as a Community of values. Europe is spoken of too much from the standpoint of market organizations etc., and we often lose sight of the fact that the main factor by which we are united is our common conviction of the dignity of the human being and the right of all peoples to self-determination.

President. — As the authors are not present questions Nos 6 and 7 will be answered in writing¹.

Question No 8 by Mr Papaefstratiou (H-21/83):

Subject: Threats to the freedom of the press in Greece.

The freedom of the press is a fundamental principle in parliamentary democracies. This principle also governs the Treaty of Rome, which applies to all EEC Member States. Since the beginning of 1982 we have been treated to the unedifying spectacle of newspapers, especially those of the same political tendency as the present opposition, being pursued at law. For instance, representatives of the newspaper *Vradini*, which is well known for its campaign for the restoration of free institutions in Greece, have been repeatedly taken to court for publishing articles displeasing to the governing party and to members of the government.

When does the Council of Ministers intend to establish contact with the Greek Government with a view to informing the European Parliament of the dangers to which the freedom of the press is exposed in Greece?

Mr Genscher, President-in-Office of the Council. — (DE) The question asked by the honourable Member does not fall within the competence of the Council.

Mr Papaefstratiou (PPE). — (GR) We know how sensitive the Council is concerning its sphere of competence which, in any case, is very much disputed. However, the safeguarding of the freedom of the press constitutes a fundamental principle in the parliamentary democracies. The Pasok Government has been interfering autocratically in press affairs ever since it came to office. By way of illustration I inform you that since then three daily newspapers have closed down, while one opposition newspaper, *'Vradini'*, has been pursued at law on more than 30 occasions. Does the President-in-Office of the Council of Ministers know that two months ago the editor of *'Vradini'*, George Athanassiadis, was assassinated? Does he know that newspapers have been pursued at

law for reporting that the Prime Minister had visited a doctor? Have acts of harassment occurred in other countries of the EEC in connection with such matters?

Thus we ask the Council of Ministers: Ought it not to enter into discussions with the Greek Government concerning the safeguarding of press freedom and of the other fundamental principles of pluralistic democracy in Greece?

Mr Genscher. — (DE) Mr Papaefstratiou, the Council trusts the Greek Parliament to make use of all the possibilities open to it in dealing with restrictions on the freedom of the press.

Mr Battersby (ED). — After the recent dastardly assassination in the *Vradini* offices in Athens of the owner and editor George Athanassiadis, I believe we must take the present and future situation of the Greek press very seriously. There are reports circulating that legislation is to be introduced in Greece restricting and fixing the number of pages any Greek newspaper may contain and also fixing the prices at which newspapers can be sold. I feel that this type of legislation could not only force some newspapers out of business for economic reasons, but in certain circumstances could lead to the suppression of the democratic freedom of the press. My question is, can the President-in-Office confirm or deny these reports and, although I understand his position, can he give his opinion on the desirability or otherwise of this type of legislation?

Mr Genscher. — (DE) Since I am not acquainted with this legislation, I feel that you will understand that I cannot express any point of view on it.

Mr Welsh (ED). — On a point of order, Madam President. In view of your ruling which I, personally, totally support, and since the President-in-Office has actually said that the Council has no competence in this matter, would you not be right in exercising your discretion not to call any more supplementaries, because, presumably, the gentleman cannot answer them?

President. — You are quite right, Mr Welsh. I have the possibility of saying that there should be no more supplementaries called. I would like you to bear in mind that I do try, as far as I can, to be fair to all parties in the House and to take a representation from all sides, particularly where there is a contentious statement. I feel, therefore, that I must call Mr Plaskovitis from this side of the House. You are quite right in theory, but, as you know, I do try to be fair all round the House.

Mr Plaskovitis (S). — (GR) I would like to ask the Minister if he thinks that the freedom of the press implies immunity from penal law? If it is ever

¹ See Annex II of 18. 5. 1983.

Plaskovitis

possible for private citizens who are libelled not to lay charges against a newspaper in defence of their honour? Such being the case, of *Vradini* that is, does this constitute harassment or curtailment of the press?

I would also like to ask the Minister — within the context, of course, of his limited degree of competence — in what sense it is possible for a reply to be given on matters relating to a law that has not been enacted by the Greek Parliament or which concern the assassination of a newspaper owner when efforts are being made to find the person or persons responsible and investigations are being carried out in accordance with the penal law of my country?

Mr Genscher. — (DE) As a matter of principle I can state the Council's view only on questions on which the Council has actually formed an opinion. On all the questions that have been asked just now the Council has not formed any opinion, not because it takes no interest in these matters but because they do not fall within its competence.

President. — As I have now taken supplementaries from both sides of the House, we will now go on to the next question.

I call Mr Kyrkos on a point of order.

Mr Kyrkos (COM). — (GR) There is another side that has not spoken.

President. — Mr Kyrkos, if I may explain, this is Question Time and it is not a matter of putting a point of view but of getting a reply from the President-in-Office of the Council. The President-in-Office has replied three times to different parts of this House — to questions from the Socialist Group, from the EPP and from the European Democrats.

Mr Kyrkos (COM). — (GR) There is, however, another side that has not spoken.

President. — Then I shall also have to allow a question from the Liberal and Democratic Group. If you want, we can go on with the same questions with the same answer from the Council. If you are prepared to waste the time of this House well and good, but I must really put it to the house that this is not a reasonable way to proceed.

Mr Kyrkos (COM). — (GR) The Communists have not been given the opportunity to speak.

President. — I am sorry, Mr Kyrkos, you know I try always to be very fair to the parties, but we have had a Socialist, we have had a Conservative, we have had a Christian-Democrat. If I give you the floor then I must give the Liberals the floor also. I would request you very kindly not to press your point and allow us to get on to another question.

Mr Kyrkos (COM). — (GR) I will put a question.

President. — Alright, Mr Kyrkos, you may put a question — a question, not a statement. Then I will ask Mr Delatte to put a question from the Liberals.

Mr Kyrkos (COM). — (GR) I request you to allow me two short questions. Firstly, could the President-in-Office advise colleagues not to try to transport into the European Parliament a failed opposition which finds no echo in Greece, because in doing so they harm both the European Parliament and their own faction?

Secondly, could the President-in-Office recommend Mr Battersby, who speaks fluent Greek, to make a better job of reading the Greek newspapers?

Mr Genscher. — (DE) With regard to the first question, I do not have the right to give advice to Parliament. With regard to the second question, it is the sovereign right of each and every Member to decide for himself how much information he needs.

Mr Delatte (L). — (FR) I will not ask any technical questions. I would simply like to ask the President-in-Office whether he does not think it necessary to call the attention of the Greek government to the need to respect freedom of the press, something that has always been upheld here in this Parliament; and I think it would perhaps be desirable to do this before Greece takes over the presidency.

Mr Genscher. — (DE) Given the attention paid by all Member State governments to the deliberations of the European Parliament, I am quite sure that the Greek government can also claim that it gives the very same measure of attention.

Mr Alavanos (COM). — (GR) I think an important point of order has arisen because the reply given by the President-in-Office does not fall within the Council's field of competence. The question was put, however, by the chairman of a parliamentary committee. Ought not the chairman of this parliamentary committee at least be cognizant of the Council's field of competence, and, if he is thus cognizant, not seek to go beyond it for the sake of meddling in the internal affairs of our country via the European Parliament?

President. — Mr Alavanos, many people put questions, but that does not mean to say that they are relevant to the persons who have to answer and I am afraid this is a case in point. The President-in-Office has made this very clear in his replies, and I must say that I think the President-in-Office that we have had the good fortune to have in this Parliament today and during these last four months has made every effort to answer as fully as he can any questions that have been put to him.

President

As the authors are not present, Questions Nos 9 and 10 will be answered in writing.¹

Question No 11, by Mr Rogalla (H 794/82):

In deliberating on the Commission's proposal for a resolution on the relaxation of personal checks at internal borders, did the Council urge the Member States to facilitate private travel by making wider use of their respective autonomous powers to restrict procedures to random checks, and if not, why not? Is information concerning experience with random checks available?

Mr Genscher, President-in-Office of the Council. — (DE) The resolution to which the honourable Member refers is being considered at the present time. For this reason the Council has not as yet addressed any recommendation to the Member States.

Mr Rogalla (S). — (DE) The question really sought to elicit information on the Council's deliberations on the Commission's proposal but I assume the President-in-Office of the Council has provided the only possible answer available at this time. Would the President-in-Office of the Council agree with me that a relaxation of personal checks at internal borders is long overdue. Is he aware that the Member States of the Northern Union have been practising for years now a system analogous to that which the Community is striving to achieve? Would he be personally prepared to make available to the Community officials deliberating the Commission proposal on the relaxation of personal checks at internal borders the relevant information on the Northern Union's experience in such matters?

Mr Genscher. — I am aware of the experience acquired in this matter by the Nordic Union. I am also prepared to do my very utmost to see that the experiences thus acquired are made available to the relevant bodies in the Member States, insofar as this has not been already done, and I feel that it has been done to some extent. I may add that the Council Presidency is doing its utmost to see that this matter is dealt with promptly in the Council services responsible. The House will realize on this that we recognize the urgency of the entire matter.

You may be interested to hear that the German Federal Minister of the Interior has declared his willingness to introduce, on an experimental basis, certain measures at border road checkpoints and airports with a view to relaxing personal checks. We do not as yet, however, have any information or experience about possible spot checks.

Mr Pearce (ED). — Does the President-in-Office not accept that in some parts of the Community the

amount of checking of individuals crossing frontiers is in fact getting worse and not better? Does he not also accept that with something so fundamental as this, the Council is rather dragging its feet in what has been supposed to be a common market for a considerable number of years?

Mr Genscher. — (DE) I do indeed regard this as a fundamental question, and I can only note with regret that in fact regressive trends have been evident to some extent in this matter.

Mr Irmer (L). — (DE) Would you not agree that the failure to accompany the introduction of the new Community passports with clear progress towards a relaxation of internal checks will inevitably be considered a setback in the Community consciousness?

Mr Genscher. — The emphasis in the question rests on the words 'their power'.

Mr Habsburg (PPE). — (DE) Given that we have waited so long and that the measure has been postponed so often in the past, would it not be possible, in view of the impending high point of the tourist season, to resort to such a relaxation, if only on an experimental basis?

Mr Genscher. — (DE) I shall be happy to convey to the Members of the Council that this was certainly the prevailing opinion in this Parliament. At least that is my impression.

President. — Question No 12, by Mr Alavanos (H 59/83)

Much of the finance from EEC funds and the EIB which is intended for small and medium-sized undertakings, in Greece goes to a great extent to undertakings and subsidiaries of multinational companies which by the standards of the Greek economy do not come into the category of small and medium-sized undertakings.

Is the Council aware of the need to take measures (for example, laying down criteria for defining small and medium-sized undertakings in relation to the economy of each Member State), and what measures are to be taken, to ensure that such finance is actually taken up and used by small and medium-sized undertakings?

Mr Genscher, President-in-Office of the Council. — (DE) The Council shares the view repeatedly expressed by the European Parliament that the operation of the Community's financial instruments should favour small and medium-sized undertakings. The Council has therefore decided both within the framework of NCI 2 and also of NCI 3 that the financing of investment projects in favour of small and medium-sized undertakings would be given priority, as far as intervention by this financial instrument was

¹ See Annex II of 18. 5. 1983.

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concerned. As the honourable Member knows, responsibility for managing the NCI lies with the Commission, which decides what projects should be assisted and whether they are in conformity with the directive enacted by the Council, and also with the European Investment Bank which decides on the granting of the loans. The latest information given to the Council and to Parliament shows, however, that a major part of the resources available under NCI 2 has in fact been allocated for small investments, applications for which came mainly from small and medium-sized undertakings. In my view, this policy will be continued under NCI 3, which will shortly enter into force. Priority will then be given increasingly to investments in favour of small and medium-sized undertakings.

Mr Alavanos (COM). — *(GR)* I thank the President-in-Office for his reply, but I think it does not specifically answer the question. This question sets out a special problem — not, I believe, within the competence of the Commission — for Greece, with grave political and social implications.

What is this problem? It consists in the fact that in Greece the criteria for defining small and medium-sized undertakings effectively also embrace large undertakings. It suffices for me to say that in Greece only eighteen undertakings employ more than 500 people, which is the number of employees laid down as the criterion for financing, while the great majority of Greek undertakings, about 98 % that is, have fewer than 10 employees. I would like to ask if the Council intends to face up to this problem, namely by instituting special criteria which will take account of the situation in Greece and the orders of magnitude obtaining in the Greek economy and thus enable the small and medium-sized undertakings, and not the large ones, to take up the finance.

I believe that the President-in-Office has understood me and I thank him.

Mr Genscher. — Yes I have understood you and I should like to try to get you to understand me when I explain that the Council has unequivocally decided to give preferential treatment to small and medium-sized undertakings and, according to the information available, this has been implemented through the measures adopted by the Commission and the Bank. The funds are made available to small and medium-sized undertakings through global loans which the NCI and the European Investment Bank provide to the financial institutions in the Member States for small and medium-sized investments. These global loans are primarily intended for investments by small and medium-sized undertakings where these undertakings draw up projects which comply with Community priorities and the criteria laid down by the NCI and the European Investment Bank for their operations.

In the absence of such projects from small and medium-sized undertakings it appears quite acceptable to use the global loans to help finance smaller sized projects by other undertakings. However, in this case they must, of course, contribute to the realization of priority Community goals.

In the case of Greece the NCI has not as yet provided any global loans. On the other hand, between the accession of Greece to the Community and 31 March 1983, the bank has provided 111.9 m. ECU to finance small and medium-sized projects. In this context 91.6 % of the appropriations and 88 % of the total amount was earmarked for investments by Greek undertakings which complied with the Community definition of small and medium-sized undertakings. It should be noted that 58.4 % of the appropriations and 57.9 % of the total amount went to undertakings with less than 50 employees. I feel that were he to receive additional information of the administration of these funds the honourable Member would be convinced that small and medium sized undertakings in Greece can benefit from Community efforts to promote undertakings of this kind.

Mr Welsh (ED). — I really admire the comprehensive nature of the President's answer, but would he not agree that if the Greek Government were obeying the rules of the Fund then every single application that is submitted has to be done so with the authorization of the Greek Government itself, which is supposed to put up 30 % of the cash? If that is the case, would he perhaps explain to Mr Alavanos, on behalf of us all, that his complaints would be better directed to the Pasok Government, which presumably approves these things, rather than bothering us here?

(Cries of 'Hear, hear!')

Mr Genscher. — *(DE)* I think I can confidently conclude that the honourable Member does not wish to put a question to me.

(Laughter)

However, I am happy to pass on the question to the previous speaker.

Mr van Aerssen (PPE). — *(DE)* In view of the President-in-Office of the Council's salutary action in underlining the absolute priority of the small- and medium-sized undertakings in the allocation of Community loans could he confirm that a cardinal rule of Community policy will continue to be that of refraining from an abstract definition as to what constitutes an SMU but that it will, rather, take account of the market, the overall structure and the activity pursued by the concern in question with the result that the definition of an SMU may be quite different from Member State to Member State and from market to market?

Mr Genscher. — (DE) In addition to the difference in definitions from market to market and from country to country, one could also include the field of activity of an undertaking as a criteria which means that, in practice, the question what constitutes a small or medium-sized undertaking can be answered in very many different ways. However, I think that what is important is that the Community regards small and medium-sized undertakings as an essential part of a free, economic and social system since the maximalization of a number of autonomous entities means a high level of freedom for all citizens, not only for the entrepreneur in question but also for the employees, and, I believe, that it will be evident to anyone interested in preserving the liberal character of our Community, that a special effort must be made to promote small and medium-sized undertakings. This should explain why no small and medium-sized undertakings, but only large-scale State undertakings, exist under political regimes which do not share this commitment to freedom.

President. — Question No 13, by Mr Ephremidis (H-61/83):

On 5 April 1977 in Luxembourg, the Council, the Assembly and the Commission signed a Joint Declaration, which was published in the Official Journal of the EC, and which states that, as has been recognized by the Court of Justice, Community legislation also embodies the general principles of law and fundamental human rights, to which, indeed, they attach prime importance.

By its Resolution No 2 200 of 1966, the UN General Assembly unanimously adopted:

- (a) the international Covenant on Economic, Social and Cultural Rights, and
- (b) the International Covenant on Civil and Political Rights.

Can the Council tell us if there are any Member States and, if so, which they are, which have not yet ratified these two Covenants, and what reasons they put forward for this?

Mr Genscher, President-in-Office of the Council. — (DE) I should like to begin by pointing out that it is not for the Council to pass judgment on the reasons why some Member States decided not to ratify the conventions referred to by the Honourable Member. I shall confine myself to pointing out that Belgium, Denmark, the Federal Republic of Germany, France, Italy, the Netherlands and the United Kingdom have ratified the international Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights and that the Optional Protocol to the International Covenant on Civil and Political Rights has been ratified by Denmark, Italy and the Netherlands.

Mr Ephremidis (COM). — (GR) I consider the answer to be vague because I am not convinced that the matter does not fall within the Council's competence. I want, therefore, to ask the President-in-Office if, when issues involving the violation of human rights in other countries have been raised in the Council, he has had occasion to wonder why certain members of the Community have not ratified these two fundamental Covenants which the UN General Assembly has adopted.

Mr Genscher. — (DE) The Council as a Community organ has not asked itself the question although I have done so, Mr Ephremidis.

President. — As the authors are not present, Questions Nos 14 and 15 will be answered in writing. ¹

Question No 16 by Mr Schmid (H-89/83):

Does the Council agree that the political situation in Malta has changed since the European Parliament's resolution of 10 March 1983 and that there are now no obstacles to an early agreement in Council for financial aid to Malta?

Mr Genscher, President-in-Office of the Council. — (DE) As recently as 14 March 1983 the Council discussed the question of future relationships between the Community and Malta and, in particular, the question of renewing the financial protocol with this country when the existing financial protocol expires on 31 October 1983.

I have received a letter from the Maltese Foreign Ministers which refers, *inter alia*, to the resolution adopted by the European Parliament on 10 March 1982 and a resolution — with which you are familiar — which the Maltese Parliament adopted in response to it. I answered on behalf of the Council stressing in particular that the Community attaches great importance to its association with the Republic of Malta and expressing the Council's hope that the preconditions for opening negotiations would shortly be fulfilled. I hope that both sides will make the necessary efforts to enable these negotiations to begin shortly.

Mr Schmid (S). — (DE) Mr President-in-Office of the Council, I have understood from your answer that, even in the wake of Parliament's decision of 10 March 1983, the Council continued to look favourably upon financial aid to Malta. Am I to assume, therefore, that the explicit reference contained in Parliament's report on Malta, concerning the change in the Maltese political situation, is, as far as the Council is concerned, irrelevant? Would it be true to ascribe Council's failure to adopt a more positive decision to reasons known both to you and myself but which, with a view to preserving the confidential nature of the Ten's deliberations, cannot be revealed here?

¹ See Annex II of 18. 5. 1983.

Mr Genscher. — *(DE)* Since you say that it concerns reasons which both of us know, without further explaining these reasons, I cannot affirm that these are in fact the same reasons.

(Laughter)

President. — Question No 17 by Mr Hutton (H-90/83):

What discussions have the Council or Coreper held and with what result, on the changes in the working methods of the Council, particularly in regard to voting procedures, which will be called for in preparation for the accession of Spain and Portugal to the Community?

Mr Genscher, President-in-Office of the Council. — *(DE)* As is customary, the chapter on institutions will be dealt with in the closing phase of the accession negotiations. The Community, therefore, has not yet defined its position. The delegations have already begun to consider this important chapter. As a basis, the Commission has, over the last few years, listed its own positions and at the beginning of March presented a supplementary communication dealing specifically with the institutional enlargement of the Community. Both documents have still to be studied in the capital cities.

Mr Hutton (ED). — May I thank the President-in-Office of the Council for that answer and ask him if his answer means that in Council discussions, in particular, a discussion of voting procedures has not yet come up?

Mr Genscher. — *(DE)* A discussion of this sort, for example, has been carried out in depth in the context of the consultations on a European Act. It concerns a matter not covered by the confidentiality referred to by the previous questioner. You are, therefore, aware which Member States have adopted a particular stand on the voting procedure in particular.

Mrs Hammerich (CDI). — *(DA)* Does the President-in-Office think therefore that there is some new element in the wording of the Genscher-Colombo draft, on which the ministers have agreed, according to which there is no reservation in respect of the decision-making procedure and which refers to 'the possibility of abstaining in those cases in which unanimity is required'? What improvement or innovation does the President-in-Office see in this wording?

Mr Genscher. — *(DE)* I am unable to predict what the European Act will finally contain, since it has not yet been decided. It will only be possible to judge the extent of the changes within the context of the whole.

Mr Seligman (ED). — Can the President-in-Office give us any estimate as to when the accession of Spain and Portugal is likely to take place and what effect this will have on the European Council because I understand the European Council is a meeting of

Heads of State. Do you think the King will represent Spain at that or who will represent it?

Thirdly, since there are two extra members, will we have an effort to lengthen the meeting of the Heads of State in the European Council so that it can actually be effective rather than the very brief meeting it holds at the moment?

Mr Genscher. — *(DE)* That makes three questions in all. The first question concerned the date of accession. It should take place as soon as possible. With regard to the participation of the King of Spain, without wishing to anticipate what he will decide, I feel that he will follow the example of the ruling houses in other Community monarchies. On the third question, namely, whether negotiations will take longer when there are 12 rather than 10 participants, I must, I fear, reply in the affirmative.

Mr Blumenfeld (PPE). — *(DE)* I would ask the President-in-Office of the Council if that body would be prepared to consult Parliament as and when appropriate during the accession negotiations even where Council majority decision-making does not directly affect us?

Mr Genscher. — *(DE)* That will be requested as a matter of urgency, Mr Blumenfeld.

President. — We turn now to the questions addressed to the Foreign Ministers. As the author is not present, Question No 24 will be answered in writing.¹

Question No 25 by Mr Habsburg (H-29/83):

What action have the Foreign Ministers meeting in political cooperation so far taken in accordance with the request made to them by the plenary assembly of Parliament to bring the problem of the Baltic States before the Decolonization Subcommittee of the UN and, if nothing has yet been done when do they intend to address themselves to this problem and act in conformity with Parliament's request?

Mr Genscher, President-in-Office of the Foreign Ministers. — *(DE)* The Foreign Ministers of the Ten have not brought the problem of the Baltic States before the Decolonization Subcommittee of the UN. Moreover, they are not currently planning to do so.

The Presidency is aware of the difficult plight of the Baltic peoples, as well as of that of all peoples who are prevented from shaping their own destiny. A realistic political assessment indicates that formally raising the matter of the Baltic States with the United Nations or one of its committees or Subcommittees offers no hope of success. The cause of the Baltic peoples would be more likely to suffer if such action met with a negative result.

¹ See Annex II of 18. 5. 1983.

Mr Habsburg (PPE). — (DE) I really must confess to being deeply disappointed with such an answer. You are personally involved with problems of decolonization throughout the world. It is clearly a disdain for the moral principles underlying decolonization to punish the small, in the knowledge that they cannot react, while letting the big countries get off scot-free because there is no realistic hope of bringing them to book. Do you not feel that a clear line on such matters from the Council would be beneficial to Europe?

Mr Genscher. — (DE) I did not say, 'because it would be pointless', but the Council, on whose behalf I am speaking, feels that a negative decision by the relevant subcommittee would be more likely to have adverse effects for the peoples in question. The Council clearly shared your assessment as questioner of the situation of these peoples.

Mr Pearce (ED). — Does not the President-in-Office take the view that to do nothing about this, which seems to be the view of the 10 Foreign Ministers, in fact amounts to giving a seal of approval to what the Russian empire has done to these places? Would he not find it attractive, useful and productive in the long run to make a very clear-cut statement in the United Nations of the principles that are involved, namely that colonization by the Russian State is as open to criticism as colonization by any other State?

Mr Genscher. — (DE) There is no doubt whatsoever about that, Mr Pearce.

Mr Bonde (CDI). — (DA) I should like to ask the Foreign Minister whether the fact that the Commission is to be fully involved in European political cooperation, according to the Genscher-Colombo Plan, gives it the possibility of presenting proposals in the field referred to in this question? Can the Commission therefore present concrete proposals within the framework of European political cooperation?

Mr Genscher. — (DE) That is already clear from the London Report, Mr Bonde.

President. — As the author is not present. Question No 26 will be answered in writing.¹

Mr Alavanos (COM). — (GR) Mr President, I wish to inform you that I have arranged with Mrs Squarcialupi to take over her question.

President. — I am very sorry, Mr Alavanos, but unless I have a written request from you an hour before Question Time I cannot accept that. Several Members have come to me during the course of Question Time tonight to ask if they could take over the questions of people who are absent and I have regretably been unable to accept. So I am afraid I must

apply the rule in this case as well. Members should kindly take note that I am always willing to take a substitute as long as I have a written document on the day.

In the absence of the authors, Questions Nos 27, 28 and 29 will receive written replies.¹

Question No 30 by Mr Alavanos (H-60/83):

Having regard to the Council's supplementary answer to my Question No H-811/82,² and to the fact that in view of the forthcoming Greek Presidency a campaign of pressure has been started by Community circles with the aim of influencing and modifying the foreign policy of the Greek Government, will the Ministers for Foreign Affairs meeting in political cooperation tell us what the obligations and powers of the Member State acting as President in the context of political cooperation are, and to what extent the presiding State actually has the power not to put forward Community positions opposed to or different from its own policies?

Mr Genscher, President-in-Office of the Foreign Ministers. — (DE) The obligations and powers of the Member State acting as President of European political cooperation are set out in various basic documents, in particular the Luxembourg Report of 27 October 1970, the Copenhagen Report of 23 July 1973 and finally the London Report of 13 October 1981. As you are aware, the aim of EPC is to harmonize national foreign policies. Therefore, the consensus rule applies fully to the cooperation between the Ten on foreign policy matters. Consequently, the situation to which you refer, namely, that the President of the EPC is required to put forward positions which conflict with the policy of his country can in no way occur.

Moreover, I totally reject the implication contained in your question that pressure will be brought to bear to influence the foreign policy of the Greek Government. I wish to defend the Greek Government against the suspicion that it would submit to pressure just as I defend the other nine Member States against the suspicion that they would wish to put pressure on the Greek Government.

Mr Alavanos (COM). — (GR) I am afraid that the formal reply of the President-in-Office runs counter to reality. I would like to remind him of the recent statements by Mr Tindemans, who a short while ago presided over political cooperation, questioning how it would be possible for Greece to preside over political cooperation given its different views on the situation in the Middle East. I would also like to remind him of the known plans, which have also been given

¹ See Annex II of 18. 5. 1983

² Provisional editions of the proceedings of the EP, 9. 3. 1983.

¹ See Annex II of 18. 5. 1983.

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coverage in the press, for the Greek Government not to exercise the Presidency but for there to be a co-guardianship involving Germany and France, etc. Going beyond the formal reply of the President-in-Office I would like to ask how these pressures, such as, for instance, that exerted in the statements by Mr Tindemans, are being dealt with in practice?

Mr Genscher. — (DE) I wish to draw your attention to the fact that the European Community is a Community of equal, independent and free States. This is what distinguishes it favourably from other communities in this world where predominant positions and predominant interests prevail.

The fact that ours is a Community of free, independent, autonomous and equal States expressly prohibits one or more Member States from exercising pressure on one or more other Member States. There is therefore no grounds for your question or for your concern. Moreover it has not entered into anyone's mind to exclude Greece from the presidency.

When you refer to a consortium you clearly have in mind the so-called Troika, namely the cooperation and collaboration between the President-in-Office and the preceding and subsequent presidencies. In this context I should like to inform the House that this Troika, composed of the Foreign Minister of the Federal Republic of Germany and the Foreign Ministers of Denmark and Greece last week held a consultation with the Japanese Foreign Minister. The presence of the Greek and Danish Foreign Ministers did not lead the German President-in-Office to feel that he was either under pressure or in any way restricted; on the contrary, he regarded it as support in carrying out his difficult task and consequently explicitly welcomed the participation of both these colleagues.

Mr Welsh (ED). — I am most reassured by that answer, but just to make my pleasure absolutely complete, could the President-in-Office give us a categorical assurance that as a member of the next Troika he will undertake that the presidency will not speak on behalf of a Member State in any form whatever unless its views represent the Member States as a whole.

Mr Genscher. — (DE) I feel that such an undertaking is unnecessary. However, with regard to your first remark, it gives the President-in-Office of the Council a feeling of achievement when a Member of this House states that he has been reassured by his answer.

Mr Bonde (CDI). — (DA) I understood the Foreign Minister's answer a short time ago to mean that the Commission has the right to take initiatives within the framework of European political cooperation. But

the London Declaration of October 1981 says in English: *Within the framework of the established rules and procedures the Ten attach importance to the Commission of the European Communities being fully associated with political cooperation at all levels.* Within the framework of the existing rules and procedures, then. In Denmark the interpretation is that the Commission can take part in European political cooperation as an observer and that it can state views and present proposals on questions for which there is authority in the Treaty. Is that a mistaken interpretation of the London Declaration, Foreign Minister?

Mr Genscher. — (DE) You should understand it to mean that the members of the European political cooperation will not neglect any good idea even if it emanates from the Commission.

(Laughter)

Mr van Aerssen (PPE). — (DE) Would the President-in-Office of the Council confirm that his predecessor, Mr Tindemans, at no time attempted to put the kind of pressure on the Greek Government to which Mr Alavanos referred but that, on the contrary, both the Tindemans report and his statements during his presidency highlight the need for strengthening, improving and formalizing EPC and of rendering it more answerable to the European Parliament but that the guiding line of EPC must be consensus, cooperation and coordination rather than Member State confrontation?

Mr Genscher. — (DE) If all the governments of the Member States are to be defended against the suspicion expressed by the Honourable Member, I am particularly happy to do so in the case of Mr Leo Tindemans whom I regard most highly as a great European.

President. — Question No 31 by Mr Ephremidis (H-62/83):

On 11 June 1982, during the Reagan visit to West Berlin, the police arrested 5 individuals — 4 Germans and 1 Greek — on a charge of taking part in a 'prohibited' protest demonstration against the dangerous arms policy. Their trial is being conducted in conditions of terrorism, of which the chief features are that obstacles are put in the way of the defence and the defendants are being held in glass cages.

These actions by the West Berlin authorities are a flagrant violation of the human rights and democratic freedoms of the citizens of West Berlin.

What steps do they propose to take to halt the trampling of human rights against the 5 defendants, who are on trial because they exercised their basic democratic right?

Mr Genscher, President-in-Office of the Foreign Ministers. — (DE) This question concerns a matter which lies outside of the scope of the discussion within the framework of European political cooperation. Although I cannot therefore adopt a position on this topic, I should, however, like to state the following. The question clearly concerns the proceedings against the Greek National, Minos Kontos, in the Higher Criminal Chamber of the Berlin Regional Court. According to the indictment he is accused in particular of taking part in acts of violence against persons and property and of resisting arrest. The proceedings will be carried out by the independent court according to the basic principles of the relevant German legal provisions. I definitively reject the implications contained in the question. Mr Ephremidis, I would suggest that you go to Berlin and see for yourself in which part of the city basic rights and human rights are guaranteed.

Mr Pearce (ED). — On a point of order, Madam President. May I draw your attention to paragraph 1 of Annex I of the Rules, guidelines for the conduct of Question Time under Rule 44, which says that questions should be interrogatory in form and that they should not contain statements of opinion. But, Madam President, this question is not only full of statements of opinion, it is written in coloured and emotional language and I believe that the question should in fact not be taken. I would urge you, in fact, to strike it out and move to the next question because it is in breach of the Rules.

President. — Mr Pearce, I feel that this is a matter that should really be discussed by the Bureau, because many questions that we have had today would, I think, fall under that category. I therefore do not propose at this moment to follow your suggestion because, although I may feel inclined to believe that you are right in your assessment, I think it is also true of many questions that have been asked before and questions that have been allowed through this House today without any objection.

So with your agreement, Mr Pearce, we shall continue with this question now, but I will ask the Bureau for a decision on how we are to deal with this kind of question.

Mr Ephremidis (COM). — (GR) I have not even had a reply to the question I put. The President-in-Office advises me to inquire about what is going on in the other part of Germany. It is well known that over there the freedoms and prosperity of the workers are flourishing. I request the Minister to tell us, firstly, whether or not this arrest of the Germans and the Greek occurred merely because they were demonstrating their peace-loving sentiments, and, secondly, if their trial was conducted in conditions of terrorism. The Minister should reply on this and not be evasive.

Mr Genscher. — (DE) I did not urge you to go to the other part of Berlin, but rather recommended that you go to Berlin and see for yourself in which part of the city the right to freedom, human rights and human values are respected. It is not my responsibility, Madam President, to take any part in the decision as to which questions are or are not admitted, but I should like in this particular instance to express my satisfaction that this particular question was admitted. I would have found it most intolerable not to have been able to answer this question since I should like to state that, for the members of the Council and in particular for me as German Foreign Minister, West Berlin is a symbol of freedom. For this reason I absolutely reject any insinuation that human rights can be restricted in West Berlin. West Berlin is an example of a constitutional and free system which millions of workers in other parts of Europe are denied.

Mr van Aerssen (PPE). — (DE) In view of Mr Ephremidis's refusal to withdraw a question of whose existence we were unaware before this Question Time I must contest, on behalf of the Group of the European People's Party, the admissibility of such a question, not because it has been tabled and, happily, unambiguously answered by the President-in-Office of the Foreign Ministers, but because it contains value judgments which are not in conformity with our internal Rules of Procedure.

President. — Mr van Aerssen, your comment will, of course, be noted and the request made by Mr Pearce and yourself will be passed on to the Bureau, which will discuss this particular matter and decide how this kind of question should be handled in the future.

As the authors are not present, Questions Nos 32, 33 and 34 will be answered in writing.¹

Question No 35 by Mrs Hammerich (H-111/83):

Would the Foreign Ministers deny the statement made by the Commission in Bulletin No 1-1983, p. 54, to the effect that agreement has been reached on 'strengthening the Communities and political cooperation (in particular in the defence sector), greater cohesion within the Communities and in political cooperation under the auspices of the European Council, including within this cultural and legal cooperation, strengthening the presidency (which provides the secretariat of political cooperation) and consolidation of the roles of the Commission and the Court'?

Mr Genscher, President-in-Office of the Foreign Ministers. — (DE) I should like to begin by pointing out that the publication of the Bulletin to which you refer is the sole responsibility of the Commission. As to the question itself, it must be said that the

¹ See Annex II of 18. 5. 1983.

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quotation refers to a report on the German-Italian initiative on European Union which, in my capacity as President-in-Office of the Council I delivered at a meeting with the enlarged Bureau of the European Parliament during the meeting of the Council of Foreign Ministers on 24 January 1983.

With the exception of one point the 10 Foreign Ministers have no reservations concerning the text in the Bulletin which summarizes my introductory speech. The phrase 'strengthening the political cooperation particularly in the defence sector' is to be replaced by the following wording: 'including the coordination of the positions of the Member States on the political and economic aspects of security'.

The words 'political and economic aspects of security' on which the Ten already agreed during the negotiations on the German-Italian initiative makes it quite clear that defence policy and military aspects are not objectives of the kind of cooperation which is being sought.

Mrs Hammerich (CDI). — (DA) I should like to follow that up with a question on progress in EPC, to which this question also relates. What is meant in purely concrete terms by the statement that the European Council will stake out the political guidelines both for the Community and for EPC? What is meant by the EPC foreign ministers endeavouring to ease the decision-making process, and what is meant in concrete terms by strengthening secretariat support against the background of changing presidencies? Who is to pay for it?

Mr Genscher. — (DE) Better quality is not necessarily more expensive.

Mr Bonde (CDI). — (DA) I should like to ask the Foreign Minister whether it is I who cannot see any difference between the wording of the London Declaration and the wording in the new draft of the Genscher-Colombo Plan? It does say in the new draft that the Commission is to be involved in European political cooperation in addition to the powers it has under the Treaties, whereas in the old wording it says that this should be within the limits of the powers the

Commission has. Is it not a difference which means that the Commission, under the new wording, can be permitted to do what you thought it was already able to do according to the London Declaration? Otherwise I have great difficulty in seeing the so-called progress in the new text.

Mr Genscher. — (DE) The new text contains a welcome clarification.

President. — As the author is not present, Question No 36 will be answered in writing.¹

The first part of Question Time is closed closed.²

I know the House would wish me to convey our thanks to the Foreign Minister for answering our questions so well and for staying this extra time. We are most grateful.

Mr Welsh (ED). — Madam President, on a point of order. You very kindly agreed to take up my honourable friend, Mr Pearce's point. Could I also draw your attention to Questions Nos 7 and 8? Anybody looking at those questions must know that it is quite impossible for the Presidency to answer them. Could I respectfully suggest that when looking at the criteria for the admissibility of questions, rather tighter standards should be used. Otherwise I seriously fear that with coming presidencies we may well find that Question Time degenerates, as it tended to today, into a set of political statements which are like ping-pong balls flashing past the President's nose?

President. — Mr Welsh, that is precisely why I couldn't accede to Mr Pearce's request on that question because there were certainly some questions which also to my mind did not fall within the definition of admissibility. I think this must be a general matter of policy for the Bureau to take up.

I would like to thank the staff very much indeed on behalf of this House for enabling us to continue with this session for an extra hour.²

(The sitting was closed at 9.00 p.m.)

¹ See Annex II of 18. 5. 1983.

² *Agenda for next sitting*: see minutes.

ANNEX

Votes

The verbatim report reproduces in the Annex the rapporteur's opinion on the various amendments, together with explanations of vote. For details of voting please refer to the Minutes.

**TOVE NIELSEN REPORT (DOC. 1-1363/82/1 — VOCATIONAL TRAINING):
adopted**

The rapporteur was

- FOR Amendments Nos 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 21, 30 (1st part), 31 and 34 ;
- AGAINST Amendments Nos 20, 22, 23, 24, 25, 26, 28, 29, 30 (2nd part), 32, 33, 35, 36 and 37.

Explanations of vote

Mrs Van Hemeldonck (S). — *(NL)* The motion for a resolution is a useful complement to the debate on unemployment. New technologies are not the work of the devil. They are the product of people's skill and they can and ought to be used to make work easier, to shorten working time and to increase job satisfaction. It all depends on whether technology is used to serve people or to serve the vulgar pursuit of profit. The introduction of new technologies breaks down the barrier in the labour market between men and women, and that is why I particularly welcome the paragraph in the motion for the resolution which calls for the involvement of women and women's organisations to use new technologies for the benefit of progress in society and the equality of the sexes in the world of work.

Mr Patterson (ED). — I merely want to correct what, visually at least, might have been a misapprehension. Owing to a delayed reaction, my group was not voting against the communication from the Commission on vocational training: we should have been voting in favour. It was just a delayed reaction. I think it was unanimous.

Mr Bonde (CDI). — *(DA)* Yesterday we asked Mrs Nielsen whether she could tell us what the technical teachers' associations, the pupils, apprentices in basic vocational training [erhvervsfaglig grunduddannelse], all who have been affected by these proposals say about her report. Is it not possible for us to receive this information now? Otherwise we will vote against it, for in any case we have the feeling that the intervention in training and labour market matters, which Mrs Nielsen is promoting in this report, is not supported by the pupils, apprentices and teachers who might be affected by the proposal in Denmark.

Mrs Tove Nielsen, rapporteur. — *(DA)* Mr President, the confusion which Mr Bonde and his companions are sowing in Denmark is not something I wish to bring into the European Parliament. I do not want to see the debate descend to the base level on which Mr Bonde and his flock want it to be conducted.

President. — You are right, Mrs Nielsen, I asked for an explanation of vote, not questions.

Mr Protopapadakis (PPE), *in writing*. — (GR) I shall vote in support of the Nielsen report because it contains one positive idea: the training of young people in new technologies in order to give them a better chance of finding work. This is a creative way of getting to grips with unemployment.

However, I must express the reservation that both the Commission and the report under debate have only looked into the matter in a very general and vague way. The main element missing is figures, figures that will help us to become realists and to keep our feet on the ground. How many young people are candidates for such training? How many jobs can be made available for young people in this way?

It is regrettable that there are no such figures, even by way of approximation.

Mrs Theobald-Paoli (S) *in writing*. — (FR) As co-author, together with Gerard Jacquet and Jacques Moreau, of a motion for a resolution which is incorporated in this report, I welcome all Community measures intended to promote the spread of new technologies in our Member States.

There is one still more important step to be taken: we must make a massive effort to train children and adolescents in these new technologies. Only thus can we save European industry, which is faced with an overwhelming American and Japanese supremacy in the field of research.

France will be a pioneer in this field in the future, for it has created a World Centre of Informatics and Human Resources which has already produced convincing results.

The necessary preparations have been made to introduce in-school training beginning in the fall of 1983.

We should therefore take every opportunity on international occasions to encourage the spread of this concept affirmed by the President of the French Republic, this determination to develop an independent industry of informatics and new technologies, the key to an independent future for Europe.

* * *

KLEPSCH REPORT (Doc. 1-247/83 : EUROPEAN PARLIAMENT ELECTIONS) :
adopted

* * *

BARBAGLI REPORT (Doc. 1-61/83 : EUROPEAN SOCIAL FUND) :
adopted

The rapporteur was

- FOR Amendments Nos 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, 24, 25, 27, 28, 37, 38, 39, 40, 41, 42, 45, 52 (2A), 53, 54, 55, 57 (point 4), 58, 63, 66, 73, 75, 76, 78, 85, 86, 97, 99, 109, 110, 112, 120, 122, 123, 124, 126, 127, 128, 129 and 136;
- AGAINST Amendments Nos 43, 47, 48, 49, 50, 51, 56, 60, 62, 67, 74, 77, 79, 90/corr., 91/corr., 92, 98, 100, 105, 107, 108, 111, 113, 117, 119, 121, 125, 130, 131, 133, 134 and 138.

Explanations of vote

Mr Damette (COM). — (FR) The French Communists are firmly opposed to this plan for the reform of the European Social Fund. We see it as negative because of the confusion it creates between regional action and social action. The Social Fund is to become an adjunct of the Regional Fund, which has itself been pared down. This plan is unsatisfactory because it encourages deflationary policies on the British model which force up the

unemployment rate. It is unacceptable for France, for in penalizing policies aimed at reducing inflation it injures vital national interests. It appears that certain people wish to use the Social Fund as a weapon to combat leftist policies in Europe. This is inadmissible. I will even say that it is the exact opposite of what should be done if we really want to fight unemployment.

Mr Alavanos (COM). — *(GR)* Mr President, those of us who belong to the Communist Party of Greece wish to make the following observations.

Firstly, instead of responding to the reality of the 12 million unemployed by radically changing its social policy the Commission has responded by revamping the instruments it has already used. Namely by reforming the Social Fund which has proved incapable even of slowing down the rapid rates of increase in unemployment. Hence, this reform is not a measure aimed at combating unemployment but a pretext to justify the non-adoption of real measures.

Secondly, what meaning can reform have without a substantial increase in the Social Fund's resources? The refusal to increase the resources of the Social Fund equates in fact with the EEC directive for a policy of austerity which nearly all the member country governments are following.

Thirdly, the reform envisages the better integration of the Social Fund with present Community policies. However, it is these policies which are causing and increasing unemployment, and this applies even more so to a country like Greece. What benefit can our country gain from its inclusion in the list of priority areas for Social Fund financing when we continue to accept the particularly harmful consequences for employment of Community policies? When many thousands of our compatriots are losing their jobs or, if already unemployed, their chances of finding employment, because of EEC interventions to thwart the petro-chemical plant and to write off the 6th sugar refinery, because of quotas on steel, raisins and sugar beet, and because of the dismantling of tariffs which is undermining industrial and agricultural output?

For these reasons the Communist Party of Greece will abstain from voting.

Mrs Dury (S), in writing. — *(FR)* Our discussion on the reform of the Social Fund has followed hard upon the special Brussels 'anti'-unemployment session, which was in many ways a disappointment for many social groups.

The European Parliament as a whole reaffirmed its deep concern at the dramatic unemployment situation, and indicated to the Council and the Commission that the time has come to deal with the crisis and its social consequences.

The essential report on the employment situation however — with which the Socialist Group did not agree — tends more toward guaranteeing protection for investors than toward protecting the interests of labour and fixing social priorities in the context of the economic policies needed to overcome the crisis.

Apparently many of us have failed to understand the extent of the despair of young people, of whom one-third are unable to find jobs, or the fury of women who see themselves excluded from the job market. Apparently most of us have understood neither the distress of the underprivileged classes nor the condition of the immigrant workers.

The role of the Social Fund is to support measures aimed at removing the too numerous obstacles to employment, and in this regard I welcome the response of this Parliament when it voted on the Barbagli report: it adopted my amendment, which proposes that at least 10 % of the Community budget be allocated to the Social Fund. In fact, it would be futile to fix goals and guidelines for a Fund lacking in the means to implement its policy. I hope that the readiness shown today will be confirmed during the vote on the 1984 budget.

Our desire to include a budgetary requirement in our resolution also implies an appeal to the Council of Ministers, which is too often indifferent to the plight of the least-favoured groups.

Mr Hutton (ED), in writing. — I shall vote in favour of the Barbagli report in spite of the loss of Amendment 105. In it we proposed that Fund assistance should be at 15 % of each Member State's national industrial wage.

By being stated in national currency the employer of young, female or disabled people and of those who have been out of work for over six months would receive a sum which did not fluctuate with rates of exchange which bear an understood relationship to labour costs in his own market.

The Commission proposal of flat rates would suffer the following disadvantages :

- a. The premium would be relatively high in low wage countries (Ireland, Greece) and almost insignificant in high cost states (Germany, France, Denmark, Belgium, Netherlands) yet unemployment has hit the high cost states with special severity.
- b. The premium would fluctuate with the make up of EMS rates of exchange ; but employers require calculatable certainty in order to minimize their commercial risks.

I hope that even now the Commission might look at this proposal again to see if an improved formula which would maximize opportunities could be used in the new Regulation.

Mr Patterson (ED), in writing. — My group is supporting Mr Barbagli's report and the Commission proposals for the reform of the Social Fund, although we believe that Parliament has failed to make a number of important changes. Regrettably, this was largely for procedural reasons rather than because the amendments were defeated. Marginal changes proposed by the Regional Affairs Committee should not have entailed the adoption of the Commission text without further amendments being voted upon.

Of particular concern to the European Democratic Group were :

- i) the amendment to Article 4, para 1 (d) from the Social Affairs and Employment Committee, which would have allowed aid from the Social Fund to help the training of all those handicapped who were capable of earning a living ;
- ii) the amendment from the same committee which would have enabled voluntary organizations to have substituted voluntary contributions for public funds in providing the 30 % 'matching' finance (Article 5 (4)) ; and
- iii) the substitution of 'twice the Community average' for 'three times the national average' in Article 6 (3).

We trust that the Commission and Council will nevertheless take these changes into account.

Mr Tuckman (ED), in writing. — I am for this report. I have one reservation. In some places there is talk of reducing working hours. Now is the wrong time to do this. Europe is fighting for its competitive life. We cannot now reduce effort.

This is not to say that the 35-hour week can never be attained. We have moved from 80 hours to 40 hours a week without major damage. No doubt our forefathers saw each lowering as final commercial death but we survived. The time for lowering hours of work will come in time, but not now.

* * *

ISRAËL REPORT (Doc. 1-83/83/I — HUMAN RIGHTS IN THE WORLD): adopted

The rapporteur was

- FOR Amendments Nos 2, 6, 7, 8, 9, 10, 11, 12, 13, 15, 17, 18, 19, 20, 22, 24 and 27 ;
- AGAINST Amendments Nos 3, 4, 5, 14, 23, 26, 29, 30, 31, 34 and 35.

Explanations of vote

Mrs Theobald-Paoli (S). — *(FR)* Mr President, ladies and gentlemen, at a time when the International Red Cross itself has abandoned its traditional reticence and is making an unprecedented appeal to international opinion to ensure the respect of 'international humanitarian law', the European Parliament could have taken a spectacular political initiative by putting no limitation on the length of the debate on human rights.

If necessary, we could have sat continuously, day and night, throughout an entire session. The dignity of man, and especially his freedom, are well worth a suspension of custom and ritual. Our Parliament, the legitimate representative of the largest democratic grouping in the world, can justly make use of the 'natural right' it possesses by virtue of its designation by universal suffrage to defend freedom wherever it is threatened, without exception or indulgence for anyone.

Through its action, our Assembly exerts a moral influence to which the governments accused are far from indifferent. We can never be sufficiently watchful, demanding, or politically courageous. Every threat to freedom is potentially destructive of basic values which we have adopted as our own.

This is why we vote in favour of the proposal submitted to us by Mr Israël, even though we do not approve of the wording of all the paragraphs nor of certain aspects of his explanatory statement.

We believe that a text should not be open to misrepresentation or exploitation for partisan or strategic ends, even if it is presented in the name of freedom.

Mr Lomas (S). — Mr President, I intend to vote against this report because it ignores the most basic human rights of all, namely, the right to work, to decent housing and education and other social rights. We never discuss reports in this Chamber on lack of human rights in our own countries, not only where the issues I have referred to are concerned but also the widespread lack of human rights and discrimination against minorities, particularly against black minorities. In recent weeks, two blacks were killed in British police stations. There is, incredibly, no reference whatsoever to the United States where not only blacks but Puerto Ricans, Italians and other minorities are grossly discriminated against and have no human rights; where there is not even the basic human right of walking the streets in safety; where murder, muggings and rape are everyday occurrences. There is no mention in this report of these things.

It is insulting to link Nicaragua, struggling against American-backed aggression in Central America, in the same paragraph as the fascist State of Paraguay.

Mr President, for these and many other reasons which I do not have the time to outline now, I shall vote against this report.

Mr Kyrkos (COM). — *(GR)* One gets a sense of fear just by reading the list of countries where human rights are being violated, while countries which formerly and even now are notorious for racial discrimination, such as the United States, or countries where there are restrictions, such as the 'berufsverbot', on the right to work are, of course, missing from the list.

We in the internal Communist Party of Greece will always condemn transgressions of human rights wherever these occur, whether in the capitalist countries or in the existing socialist countries. We are not satisfied, however, with a simple presentation of the facts. We call on you, colleagues, for us to work to rid the world of the conditions which lead to the violation of human rights, to foreign interference, to tyranny, exploitation and repression. We call on you for us all to defend together the foremost human right, the right to life in the face of the threat of nuclear war. However, we do not want to help turn the campaign for human rights into a weapon of political expediency and into a sort of alibi. Something characteristic occurred only yesterday. While the Israël report was being debated 7 out of the 10 EEC countries abstained from voting on a UN resolution condemning the Turkish invasion of Cyprus and the destruction of the freedom of a whole people.

That is an indication of how interest fizzles away in words and serves only political expediency.

Mrs Dury (S). — *(FR)* I would like to say this to the Members of Parliament: I hope that in analogous cases we will vote in the future as we vote today. I remember one vote on a resolution tabled by the Belgian Socialists concerning 13 imprisoned deputies in Zaïre; this resolution was rejected. I hope that the Members who vote today for human rights will also support such causes in the future, with the same conscientiousness and the same sense of political responsibility.

Mr Alavanos (COM). — *(GR)* The Communist Party of Greece respects rights and freedoms not only in words but in practice as well. What was said earlier on by our colleague, Mr Adamou, was very pertinent, because he has paid for his struggles for the rights of the Greek people with 30 years of forced exile, torture and prison under a regime which was defended a short while ago by the representatives of the Greek Right.

The Germans, Italians and British have no licence to give lessons in human rights to us and the Greek people. Why do you scratch old wounds? Do you want us to recall the German occupation? Do you want us to recall the Italian occupation or that the party of Lord Bethell drove the Greek people to civil war and discord?

(Loud disapproval from the benches of the Centre and Right)

You have no entitlement to talk about human rights. Because you do not respect human rights. Perhaps you respect the right to work? There are 12 million unemployed in the Community. Perhaps you respect the right to life? Yet with your rockets you threaten all the people of Europe with nuclear annihilation. Perhaps you respect the right of peoples to live in freedom? Do you want us to remind you of what is going on in Northern Ireland?

Perhaps you respect freedom of political action? Do you want us to remind you of the Berufsverbot in the German Federal Republic? Perhaps you have good detention conditions? Do you want us to remind you of Bobby Sands and the other Irish fighters who were driven to death, or do you want us to remind you of the 'white death cells' in the German Federal Republic?

So you have no right to talk about human rights.

(Disapproval)

The value of Mr Israël's report is shown precisely by the fact that it does not mention human rights in the member countries of the Community or in the United States, the 'big boss'.

(Mixed reaction)

Mr Plaskovitis (S). — *(GR)* We Greeks who belong to PASOK are particularly moved by the wish of the European Parliament to take on a leading role in connection with the protection of human rights. Nevertheless, we must point out that this task is exceptionally difficult and demands a huge departmental organization for investigating the numerous cases of human rights violations all over the world. It is characteristic that less serious violations in eastern countries are given much greater coverage than that given to cases of the taking of human life and brutal torture in the Latin American countries and Turkey. It is also characteristic that while the report mentions the situation in Turkey in general terms it makes no reference at all to the grievous violations of human rights at the time of the invasion of Cyprus in 1974, or to the numerous cases of missing Greek Cypriots and the tens of thousands of Greek Cypriot refugees.

We fear that these omissions from the report and its exaggerations are not coincidental. At bottom they bear witness to Mr Israël's angle of approach to the subject.

However, despite these serious reservations, we in PASOK will in the end vote in favour of the report solely on grounds of principle, even though we do not consider it to be satisfactory.

Mr Griffiths (S). — I wish to abstain in this report, not because I disagree with the overwhelming majority of the remarks made about the lack of human rights in many countries in the world, but because of the hypocritical way in which — to give only one example — in the section dealing with the countries of Asia and Australasia, paragraphs (i) and (j) were excluded from the report and thereby deleting any mention of Indonesia, Taiwan, Thailand and Malaysia, I wish to protest against that.

Mr Ansquer (DEP), in writing. — (FR) Respect for human rights can and should be the basic truth uniting the countries of Europe.

Europe cannot settle for being a mere economic entity where only material interests are considered. Because violations of human rights are becoming ever more widespread, without effective opposition, our Parliament finds itself discussing them at every session.

But how effective are our resolutions? What influence do our debates have on the course of events? Can words unaccompanied by actions be sincere?

The effectiveness of the European Parliament depends upon its credibility, and consequently upon the powers invested in us. Can we fail to react to certain articles in the press which assert the futility, even the virtual non-existence of the European Parliament? In order to play an effective role, in particular in order to provide real support for the Council and to exert a positive influence, we must adapt the treaties to reality, reconcile law and fact; that is, we must make the European Parliament responsible for the essential conditions of freedom for its citizens: security and respect for human rights.

The European Parliament must give priority attention to the situation of the other Europe, the Europe of the eastern countries.

The European Community as such should participate in all international conferences. It must speak with one voice, and express a single position in cases where human rights are involved.

The Commission, the Council, and Parliament must take advantage of the opportunity afforded by the renewal of the Lomé Convention to incorporate the respect for human rights into all relations and undertakings.

Mr Mertes, on behalf of the Council, has sketched the broad outline of a Community doctrine which could be the basis of a European human rights policy.

We welcome this, and we will give our full support to this initiative. We approve Mr Israël's excellent report, because for us, and certainly for all of you as well, the only battle that counts is the fight for humanity.

Mr Cariglia (S), in writing. — (IT) I think it my duty to draw the Assembly's attention to the fact that the European Parliament has not provided the group of rapporteurs, and hence the Sub-committee on Human Rights itself, with any bureaucratic structure for gathering and selecting all the information regarding violations of Human Rights.

The rapporteurs have therefore only provided a picture of the violations reported through those public and private institutions that have been considered to be the most respectable and reliable. I therefore take this opportunity of asking the Assembly to consider the desirability of providing the Sub-committee on Human Rights with adequate bureaucratic back-up, so as to make it a useful source of reference on such a delicate subject.

In the report in question this Assembly has had an opportunity to see how wide is the range of countries responsible for violations of human rights, even though the degree of seriousness of such violations varies. And it is equally obvious that, despite the political and moral importance that this Assembly will want to attach to the report, violations of human rights will continue to trouble the consciences of millions of men and women throughout the world. I realise how difficult it is to think of possible economic sanctions against those States guilty of violating human rights.

Yet despite that I think that some initiative has to be taken in order to alert public opinion throughout the world. We should give some thought to the institution of a day of observance throughout the world in exaltation of human rights and the dignity of man.

Mrs Desouches (S), in writing. — (FR) Once again I am forced to observe that despite its fine declarations the majority of this Assembly shows only a selective sort of indignation, and that human rights in the Philippines, Malaysia, Thailand and Taiwan are apparently not worthy of protection, since the paragraphs concerning them were deleted. This considerably weakens the report and the speeches heard this morning.

I would also like to say that it is very unfortunate that this text was prepared and drawn up without any consultation with the heads of the delegations. It should not be forgotten that the countries with which the delegations are responsible for establishing or maintaining good relations are often attacked in this resolution in a brutal and sometimes over-hasty manner.

Collaboration appears to me to be indispensable for this work, but although I am prepared to participate in the work of the study group, I cannot accept oversimplified judgments and politically oriented condemnations.

Mrs Fullet (S), in writing. — (FR) The European Parliament should have a specific mission in denouncing violations of human rights. The vote on the report of the Political Affairs Committee gives us the opportunity to take the first step in finding more effective means to apply pressure in support of peoples who do not enjoy fundamental rights. This is the case in Guatemala, for example, where the situation since the advent of General Rios Montt is so alarming that everyone must be aware of it.

Since the proposal on Guatemala was adopted last December, its citizens, already poverty-stricken and vulnerable, have seen their situation deteriorate still further. Particularly serious is the plight of the 350 000 Guatemalan refugees in Mexico, of whom 100 000 are at the frontier.

Mexico has attempted to improve conditions for the refugees by according them migrant worker status. Many non-governmental organizations are generously seconding measures to help the refugees in this region. For our part, we cannot keep silent in the face of the repeated raids carried out by the Guatemalan army, which is even entering Mexican territory to harass the refugees.

In mid-March, the most recent raid on a refugee village took an intolerable toll: 300 homes burned, the village totally destroyed.

The rapporteur for the countries of the American continent mentions the role played by the guerilleros in the massacres: isn't it natural that resistance should form in the wake of the atrocities of the Rios Montt regime?

It seems inappropriate to point out here that some of the information concerning the crimes of this government has not been verified.

Are people trying to suggest to us that the government of Guatemala is not guilty of the atrocities it has actually committed?

The attitude of the Guatemalan authorities is totally unjustifiable, even though President Reagan may declare that there are grounds for optimism concerning the restoration of human rights in the region.

The Socialist Group has just tabled a new motion for a resolution on this situation. I hope that this initiative will have a positive result. Our denunciation will then reflect the conscience of Europeans.

Mrs Lizin (S) in writing. — (FR) I will vote in favour of Mr Israël's report, but with several reservations. I am sorry that an assembly such as ours did not feel itself obliged to show concern for the respect of human rights within its boundaries, particularly in Ireland.

Also, the most flagrant violations have often been treated with excessive caution, as is the case for Turkey and Chile, where the true nature of the regime was revealed anew on 11 May. I am sorry that the report did not propose a mechanism to compel the ministers meeting in Political Cooperation and their presidency to give Parliament systematic support when it adopts a resolution.

I fear that this report will be more useful in salving our European consciences than it will be in combating the violations we are denouncing.

Mr Pesmazoglou and Mrs Spaak (NI) in writing. — (FR) We will vote in favour, but we deplore the principle of enumeration adopted in the report and feel it has been further weakened in the course of the debate by the deletion of a number of cases.

Furthermore, none of the human rights violations committed by the invading army in Cyprus are mentioned.

For us, human rights are an indivisible whole.

Mrs Van den Heuvel (S), in writing. — (NL) In my statement I welcomed the fact that the Political Affairs Committee had risen above its political differences and managed to produce a well-balanced report. Unfortunately this balance has been seriously upset by the deletion of paragraphs 2 III, h, i and j.

Regretfully I must say that the majority of this Parliament has shown its selective indignation by refusing to condemn countries of a certain political hue.

The Socialist Group regrets that very much. We only hope that the electorate will condemn the behaviour of our colleagues.

Nevertheless, the large majority of my group will vote in favour of the motion for a resolution, firstly, because it still contains a lot of which we approve, and secondly, because we do not want to behave like our political opponents.

LORD BETHELL REPORT (DOC. 1-1364/82 — HUMAN RIGHTS IN THE USSR):
adopted

The rapporteur was

- AGAINST Amendment No 1 ;
- FOR all the other amendments.

Explanations of vote

Mr Enright (S). — I shall be voting for this motion, but I shall be voting for it with a very heavy heart. Its impact has been considerably lessened by the hypocrisy of the way in which people voted on the Israël human rights report. If people cannot be consistent, then they do not have the right to wield influence, and they clearly will not be doing so. That I think is most unfortunate because there are some important points in this resolution, but it has been made into a mockery now.

Mr Hord (ED). — I shall be voting for the Bethell report and the motion for a resolution, but with reservations. I must say that I am disappointed that neither the report nor the speeches refer to actions that should be taken or sanctions that could be applied against the USSR. We were reminded of abuses by the totalitarian regime in Russia and of the use of forced labour in the gas pipeline. Why did Parliament not stand up against the

Siberian gas pipeline in the first place? Why do we not speak out against the sale of technology to the USSR? More pertinently why do we not stop the sales of the huge amounts of subsidized Community agricultural produce at the European taxpayers' expense? I would add that there is no reference to these matters in the report. Clearly this a case where the Community has powers but is not sufficiently concerned about the principles.

Mr Gontikas (PPE). — *(GR)* I want to make it clear that I am voting in favour of Lord Bethell's report with certain reservations. I believe that we have an obligation, being the free and democratic parliament that we are, to be concerned about violations of human rights wherever these occur, even in the countries of the Community.

I say this because in Greece of late there has been a continuous violation of individual and political rights and repression of press freedom by the present government, and I consider it essential and proper for this Parliament not to close its eyes to what it does not want to see. I also consider it necessary for the Commission and the Council to take a stance on questions concerning this matter in Greece and not to evade them with the ridiculous assertion that they constitute interference in the country's internal affairs.

Mr Kyrkos (COM). — *(GR)* I shall vote against.

Mr Plaskovitis (S). — *(GR)* It is obvious that the Greek socialists of PASOK are sharply concerned about violations of human rights in whatever part of the world they occur.

In the case in question we have a report which refers to certain instances of violation of human rights in the Soviet Union. However, with regard to the content of this report as it concerns one of the two world super powers, the aggressiveness with which it is formulated and the tone used effectively reinforce cold war propaganda to the detriment of one of the two sides. It is true, nevertheless, that the other super power, the United States that is, is supporting inhuman regimes in Latin America, Turkey and Africa which transgress even the most elementary human rights. By way of indication we can point to the situations in Chile, El Salvador, Guatemala and Uruguay, and to the recent attempt by CIA mercenaries to overthrow the democratic regime in Nicaragua.

In the European context every political act in relation to the two super powers must be judged on the basic criterion of whether it contributes towards detente or whether it does the opposite and helps to worsen relations between the two sides.

In the case in question a report like that of Lord Bethell, and indeed at this juncture, will operate against those peaceful powers which are seeking to achieve first of all the detente and peace which together constitute a precondition for the effective implementation of the Helsinki Final Act and for the genuine protection of human rights in both the Soviet Union and other countries of the world.

For these reasons, Mr President, the Greek Members who belong to PASOK will abstain from voting.

SITTING OF WEDNESDAY, 18 MAY 1983

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IN THE CHAIR: MR PFLIMLIN

Vice-President

(The sitting was opened at 9 a.m.)¹

1. Agenda

President. — I would inform the House that Mr Dalsager is prepared to make a statement on Thursday afternoon, on behalf of the Commission, on the fixing of farm prices.

The enlarged Bureau, which is meeting this morning, will make a proposal to the House on the time at which this item can be entered on Thursday afternoon's agenda.

Mr Gautier (S). — (DE) Mr President, will we be able to put questions to Mr Dalsager after he has made his statement?

¹ Approval of Minutes — Documents received — Application of the Rules of Procedure: see Minutes.

President. — Yes, Mr Gautier, half an hour has been set aside for that purpose.

2. Welcome

President. — I have pleasure in welcoming to the House Mr Kamel El-Assad, President of the Lebanese People's Assembly.

(Applause)

President El-Assad and his colleagues will hold talks with our President, Mr Dankert, and with the members of the committees and delegations of Parliament. They will also meet representatives of the different political groups.

In the past this House has adopted several resolutions expressing our conviction that peace in Lebanon and in the Middle East depend on the re-establishment of full sovereignty for the Lebanese people within their own territory. We particularly welcome the fact that this goal now seems in sight.

President

On behalf of the whole House I wish President El-Assad and his colleagues a successful stay in Strasbourg.

(Applause)

3. Future financing of the Community

President. — The next item is the oral question with debate (Doc. 1-197/83) tabled by the President, on behalf of the enlarged Bureau, to the Commission :

Subject: the future financing of the Community

Will the Commission outline its proposals concerning the future financing of the Community?

Mr Thorn, President of the Commission. — *(FR)* Mr President, ladies and gentlemen, when I addressed this House on 12 April I announced that the Commission would be returning during this part-session to review the situation prior to the European Council in Stuttgart. Since the Council has been postponed, the next part-session will afford us a further opportunity to meet before it is held.

No-one can be in any doubt that Europe is now entering a decisive phase. By temporizing and settling for half measures, the Council has allowed anomalies and obstacles to accumulate, to the extent that they now seriously threaten to bring the whole system to a standstill. The Council is finding it increasingly difficult — this point has to be stressed, I am afraid — to take decisions, even on matters of routine management. I am of course delighted today at the news of the agreement reached by the Council of Agriculture Ministers, which is an appreciable step in the direction of progress at Stuttgart, but it has to be acknowledged that this agreement was achieved at the cost of a considerable delay as compared with the normal calendar.

Everything is inter-related: enlargement; reform or at least control, shall we say, of the CAP; the future financing of the Community; rectification of the budgetary imbalances; new policies. Consequently, everything would be held up if the European Council did not now give the Community the decisive stimulus it needs in order to regain its momentum, by settling the all-important issue of the basis on which the Community is to be financed.

The Commission for its part submitted its proposal on the date scheduled, honouring the commitment given in this Chamber. Confronted with difficult choices; it has discharged its responsibility, and it now falls to each institution and each Member State to do likewise.

The financing of the Community is a problem which, as you know, is made up of three essential components, each intimately bound up with the others: first,

removal of the embargo on raising the level of own resources above the 1% ceiling, which is preventing any significant development of the policies that we need; secondly, the requirement for control of agricultural expenditure, which certain Member States thought could be achieved only by keeping the existing ceiling on own resources sacrosanct; and thirdly, efforts to secure a better balance between the costs and benefits derived by each Member State from its contribution to the Community budget.

In this connection, the protracted discussions on the problem of the United Kingdom's contribution have clearly prompted each of the Member States to review its own position during the past few months. Long efforts have been made to deal with these various aspects of the problem separately. Everything done under the mandate was aimed at restructuring the pattern of expenditure and settling the UK problem prior to any discussion of a possible review of the 1% ceiling. With this ceiling on own resources, the scope for development of new policies was necessarily circumscribed, to the extent that the task of redressing the financial balances had to be put off too far into the future. Within the limits of the terms of reference, this task could only be undertaken either by stringently contracting agricultural expenditure, which was unacceptable to some people, or by applying a financial adjustment mechanism on a scale and for a duration which were unacceptable to the others, as you yourselves made clear.

The Commission has accordingly drawn the conclusions indicated by the finding that it was impossible for the Council to reach an agreement within the limits that it had set itself in the mandate of 30 May 1980. The series of proposals that the Commission has made and the action which it is preparing to take under the programme that it presented at the beginning of the year are aimed at simultaneously settling the various aspects of the budget problem, thereby ending the wrangling between certain Member States which is preventing all progress by the Community, and at last restoring the Community's ability to deal with the essential problems, namely measures to combat the crisis, the industrial future, and enlargement.

Mr President, my answer to those who now say that the Commission should have made its proposals at an earlier stage is this: before the embargo on an increase in own resources could be lifted, it was necessary — as I am sure you will appreciate — for two conditions to be fulfilled, without which it would have been unrealistic to expect agreement in the Council. The first of these was that the Commission should have pursued the logic of the mandate through to the end and that it should have been established that it was impossible — regrettably so, you may say — to

Thorn

reach agreement on these various aspects of the problem within the 1 % limit. The second was that the decision to remove the ceiling on own resources should have become urgent and inescapable; this is how things are always done in the Community. I am confident that the Commission's proposals provide the basis for a balanced agreement and it is my deeply held conviction — and I cannot stress this too strongly — that, sad to say, they represent the last chance of achieving a genuinely *communautaire* solution, the only solution ensuring that there would be no institutionalization of the *juste retour* in the budget or recourse to extra-budgetary expedients in their various forms. I therefore hope that this House will not be too lacking in unity on this matter, but will return a solid majority in favour of this proposal.

My colleague, Vice-President Tugendhat, will be giving you details of the economic aspects of these proposals aimed at securing the future financing of the Community. I for my part wish to concentrate on the political options on which they are based.

First of all, the Community must — as you have so often insisted — acquire the means, especially the budgetary means, that it needs in order to pursue the policies and actions without which we cannot turn fully to account the potential advantages of a Community market which is progressing towards unity, without which we shall still be left with a common agricultural policy and too few policies alongside it.

Secondly, it is necessary to create conditions under which each Member State contributes fairly to the financing of the Community. To this end, we need to deal with the expenditure side and the revenue side in conjunction with each other. It is for these reasons, ladies and gentlemen, that the Commission has simultaneously proposed the removal of the ceiling on own resources and the introduction of some modulation in the machinery used for collecting these resources. This will strengthen the process of restoring balances during the interim period which must necessarily elapse before the development of new policies can have a really appreciable effect in terms of a change in the structure of expenditure.

Adoption of the proposals founded on these premisses will, I sincerely believe, secure a better balance between costs and benefits in the medium and long term, for each of the Member States. In the meantime, a financial adjustment mechanism will have to stay. One has to be realistic about this, but it will certainly be possible to consider its elimination, in line with the wish expressed by Parliament, as soon as the Commission's new proposals come into effect.

Removal of the ceiling on own resources does not, ladies and gentlemen, imply that control of budgetary expenditure would be abandoned. In addition to the normal control by the budgetary authority, the propo-

sals that we have made specify that each step increasing own resources — by 0.4 % of VAT, and this for a number of years in each case, to ensure that the matter is not brought up year after year — must be authorized by the Council acting unanimously and by this Parliament acting by a two-thirds majority. This will establish the co-responsibility of the Council and Parliament, not only for expenditure but also — and this is after all a notable new departure — for the rate of Community taxation, which I regard as essential in terms of the Parliament's responsibility and commitment. This is a very important institutional development, although it is perhaps not quite as revolutionary as some people, for their various reasons, are making out. The Commission's proposal firmly establishes both the management and the development of own resources in the Community decision-making system. At the same time, the rule requiring unanimity in the Council means that the national parliaments, which under the provisions of the Treaty as they stand have to ratify any proposal to exceed the ceiling, will still be able to exercise control over decision-making, and here, as we know, there will be some difficulty.

I now turn to control of agricultural expenditure, without which the Community will derive no real increase from these additional resources — which some people would say it does not deserve — proposed by the Commission.

The Commission has been warning of the dangers of laxity in this area for a long time.

Without harking back to the Mansholt Plan of 1968, I would remind you of the 1980 review of the CAP and the 1981 guidelines for European agriculture. What was in those days a case for preventive action has now become a matter of urgency, given the present state of our expenditure, particularly the explosion in agricultural expenditure. It was for this reason that the Commission aimed resolutely for reform — or control — of the CAP, by introducing the notions of producers' co-responsibility and production quotas in the administration of the policy. It is also for this reason that it adhered closely to the guidelines which it had brought forward in the context of its response to the mandate of 30 May 1980 when it proposed a moderate increase in prices accompanied by measures to curb surplus production for 1983/84, even though it did not unfortunately receive Parliament's support. Despite the many calls on us to modify our proposals, the Commission, mindful of the long-term interests of the Community as a whole and of its agricultural sector, has held its original course. This is the clearest possible evidence of our determination to succeed in the essential task of bringing agricultural spending under control, despite the setbacks and despite the increased difficulties deriving from trends in world prices.

Thorn

This said, Mr President, the aim is not simply to bring agricultural spending under control, but more fundamentally to make better and more profitable use of Europe's greatest natural asset, namely — and this will surprise many people — the enormous wealth of resources represented by the Community's agricultural sector, with its labour force and its land.

With this aim in view, adaptation of the CAP will be a long process, calling for a programme which can only be carried through on the basis of principles proposed by the Commission with the support of your Assembly and backed by a common commitment on the part of Member States. We must summon up all our strength on this issue. Those who take a different view — I am in earnest about this — and oppose these principles of tight management because they make excessive demands on the CAP are courting its destruction.

The new resources must be used to develop the policies announced by the Commission in its programme for 1983 and 1984, already foreshadowed in the draft budget for 1984; Mr Tugendhat will be addressing you on these policies in a few moments.

The primary objectives, as I said to you in January, are to take overdue action to rebuild our industrial power, to develop our independence in the energy supply field, to take effective steps at last against unemployment, to tackle the structural imbalances in our struggling regions, and to develop our common policies in the fields of transport and telecommunications, which must provide the essential infrastructures for a large market — all this, Mr President, in the framework of the more unified market on which we have set our sights, a market which will at last be extended to include services, a market which will be more fully integrated, a market which will be able to call upon the instruments of monetary stability which have been so sorely lacking in the international sphere and to organize the convergence of economic policies aimed at a recovery in investment and non-inflationary growth.

I would briefly mention in connection with our proposals that the Commission has called for implementation of a major information technology development policy to bring the Community back up to the level of Japan and the United States. The need for this is accentuated by the alarming news that has reached us very recently from the United States about that country's willingness — or rather unwillingness — to transfer technology. If we want advanced technologies to have a future in Europe, we must make sure that we do not lose our capacity for developing them ourselves, now.

We also stand in need of an energy policy commensurate with the scale of the problem. Thanks to you, the Parliament, we have been able to establish the beginnings of a policy, but the results do not measure up to the scale of the requirements. We shall there-

fore be making proposals next week for a five-year programme to ensure success in achieving our specific objectives for reducing our dependence on imported oil, the need for which is all the greater at a time like this when the necessary immediate investments are being made to look less attractive by the current level of oil prices.

You have under consideration an outline programme on research and development, recommending the policy to be followed and calling for a twofold increase in our resources. The measures called for are concentrated in areas where action by the Community will eliminate duplication, improve the efficiency of research and, being aimed at specific targets, at last have what I hope will be a decisive impact.

You also have under consideration proposals on the promotion of industrial innovation by small and medium-sized enterprises.

Finally, we shall be forwarding two very important communications to the European Council, one proposing a European policy on telecommunications, a dramatically changing industry, the other a policy on biotechnology. As you see, we shall have met our objectives and carried through our programme.

The Commission has not failed in its duty to formulate initiatives for the revitalization of the Community. Unfortunately, it is not enough for piles of proposals to accumulate on the table of a Council paralyzed by irresolution over the budget. As I have said, the time has now come for decisions, beginning with the one matter which must be settled before there can be progress on any other, namely the future financing of the Community.

Do we deserve these additional resources that we are asking for? This, as you know, is the question which our Governments are asking themselves and which our States and national parliaments will be asking themselves in their turn. It is for you, ladies and gentlemen, the parliamentary branch of the budgetary authority, to decide. I would urge the need for a quick decision, a demonstration of unity of purpose with no place for irrelevant arguments.

By jointly pointing the way forward, the Commission and Parliament together can persuade the Council to take action at last. The Council for its part can no longer afford to put things off yet again. If the national sensibilities and sectional vested interests which caused the failure of the mandate from the London European Council were to come to the surface once again, the Community would be pitched into a deep crisis, this time without the benefit of any breathing space, because the fall in world agricultural prices indicates that, with the present ceiling, the supply of own resources will soon be exhausted.

If your Parliament votes by a clear majority, and preferably a massive one, in support of our proposals, the responsibilities of the European Council meeting in Stuttgart will be just as clear.

Thorn

Of course, we do not expect the European Council in Stuttgart simply to endorse each and every one of the proposals put to it by the Commission, but it must provide the political stimulus to ensure that they are developed within a few months. This June meeting will be decisive: either it will mark the starting-point of a European revival or it will mark the beginning of a crisis fraught with danger for Europe's future, this — and no one will be more keenly aware of this than yourselves — only a few months away from the beginning of the campaign for the European elections, a campaign of great import not only for yourselves but for the whole Community.

The Commission, having discharged its responsibilities, having set out the terms of the essential options, will now use all means at its disposal to persuade the Council to give second-generation Europe its chance at last. It will not allow the Community to be refused the means with which to carry out its policies.

In asking you to support our efforts at this crucial time, the Commission is inviting you to become the voice, the conscience and the guide of the peoples of Europe, who reject national self-interest, who know that we shall come through the crisis only if we stand together and that we shall secure our future and our place in the world of the year 2000 only if we give the Community the strength and the means with which to act.

Ladies and gentlemen, the choice confronting us is between an increase in Community resources and suffocation, between a little more Community for you and for us, a little more power, and a return to national self-interest, between control of the common agricultural policy and its disintegration, between new policies and, once again, suffocation. Only if we remain united shall we be able to choose between the two and find the only possible way forward.

(Applause)

Mr Curry (ED). — Mr President, I rise on a point of information. The President of the Commission referred very specifically to production quotas in relation to agriculture. Does he indeed mean production quotas or has he got the wrong word in his text?

Mr Thorn, President of the Commission. — *(FR)* I was referring to the production targets.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I think it might be for the convenience of the House if I just make a short follow-up to the President's speech in order to describe precisely what it is that we are proposing. Our proposal should be seen as an extension and diversification of the present system of own resources in the form of a draft Council decision replacing the own resources decision

of 21 April 1970. It is, thus, a historic development in the Community and something to be seen in the perspective of the long-term evolution of the Community.

The Commission has started from the assumption that the existing range of own resources should remain intact. Customs duties and agricultural levies should continue to be paid automatically into the Community budget. VAT should remain for the foreseeable future the backbone of the Community's financial autonomy. The Commission thus proposes, as the principal means of extending the Community's own resources, the removal of the 1% ceiling for VAT. This is, of course, in line with Parliament's 1981 resolution on own resources. Henceforth, the Community's budgetary authority should, in the Commission's view, be empowered to raise VAT revenues in the first place to up to 1.4% of the VAT base. This figure of 1.4% will be part of the decision replacing the 1970 decision on own resources and will thus need to be ratified by national parliaments.

The Commission also believes, as part of this decision, that the budgetary authority should be empowered to raise VAT revenues in excess of 1.4% but that for this to happen a specific decision-making procedure should be applied. It therefore proposes that for each step of 0.4% of the VAT base above 1.4% a special authorization would need to be accorded by the budgetary authority — that is to say, the Council acting unanimously and the European Parliament acting by a majority of its Members and three-fifths of the votes cast on a proposal by the Commission. Even in the absence of a positive Council decision on the Commission's 1973 proposal for the revision of Article 201, this procedure would, as the President of the Commission has just emphasized, considerably enhance Parliament's role in this field as one branch of the budgetary authority.

In its resolution on the draft supplementary and amending budget for 1982 Parliament asked the Commission to propose, and I quote: 'A financial reform based on a mechanism for ensuring financial balance in accordance with the guidelines repeatedly defined by Parliament'. After an in-depth consideration of possible alternatives on the revenue side, the Commission believes that a transitional diversification of the VAT system provides the most suitable and the most *communautaire* way forward. The diversification of the VAT system would in part reflect, on the revenue side, the present predominance of agriculture on the expenditure, which the Commission defines as EAGGF Guarantee expenditure minus expenditure on food aid restitutions and AP sugar, exceeds 33% of the total budget, the difference between agricultural expenditure and 33% of the total budget would be financed by a modulated form of VAT. This would be levied from Member States on the basis of variable rates. The variable rates in question would be determined on the basis of three indicators — Member States' shares in final agricultural production of

Tugendhat

products with common market organization, GDP per capita and, thirdly, Member States' shares in the net operating surplus of the Community.

There is, Mr President, an inherent justification for all three indicators. Taken together they also have the advantage of yielding a system that can be applied to all Member States on an equal footing without any special arrangement for an individual Member State or for groups of Member States. That too, I think, is in accordance with Parliament's wishes. As to the results, the Commission felt that a worthwhile contribution would be made to mitigating the problem of budgetary imbalances without putting an undue burden on the least prosperous Member States.

How would the future system work? A word on that subject might be helpful. As of now, the budgetary authority would determine total expenditure, exactly the same as at present. This would be financed first by customs duties and agricultural levies, secondly by modulated VAT and finally by uniform VAT. The overall VAT rate, that is to say the sum of the weighted average of the variable rates and the uniform rate, would have to be kept within the amount initially of 1.4 %. Later perhaps, if authorized by the budgetary authority, it could be raised to 1.8 %, and so on. On the basis of recent budgets about 75 % of the budget would thus be financed as hitherto, while on around 25 % or so some Member States would pay lower and others higher than the average rate of VAT.

There are two additional elements in our proposal which are, I think, worth mentioning. First, we propose that customs duties on ECSC products should be treated as Community own resources. The fact that they are not so treated at present is obviously an anomaly. Secondly the budgetary authority — the Council deciding by unanimity and Parliament by a majority of votes and three-fifths of the votes cast — should, in our view, decide the rate of refund for the cost of collecting own resources, with a maximum of 10 % rather than, as at present, having this permanently fixed. I see Mr Aigner in his seat, and I think this is a point which the Budgetary Control Committee has often pressed in the past.

Finally, Mr President, the Commission believes that a particular effort at Community level is justified in the energy field. In the context of a major overall programme of energy expenditure, details of which will be presented within the next few weeks, the Commission reserves the right to propose a tax on the non-industrial consumption of energy as an additional element in the system of own resources.

Those, Mr President, are our proposals. I hope that the House will recognize that they are in line with previous parliamentary resolutions and that they also represent, as the President of the Commission has pointed

out, a notable enhancement of Parliament's powers and influence in the budgetary field, a point which, in our view, is a major consideration and which I hope this House will appreciate.

Mr Arndt (S). — (DE) Mr President, I should like to explain the reason for this oral question and also the purpose of the proposal put forward by the Committee on Budgets in connection with this debate. The oral question was put by the Bureau so that Parliament might adopt a position for the meeting of the European Council in Stuttgart in June. As the Commission had assured us that it would explain its position before the European Council's meeting, we thought it would be a good idea for this proposal to be combined with Parliament's proposal.

The purpose of the proposal that has now been made by the Committee on Budgets is to submit a proposal for the European Council's meeting in Stuttgart. It does not therefore yet represent a detailed position on the Commission's proposal: it is a means of making Parliament's position clear to the European Council in Stuttgart.

I am pleased to say that Vice-President Klepsch and then President Dankert discussed with the Committee on Budgets the possibility of its drawing up a draft joint motion for a resolution of the European Parliament. This draft, which is now before you, is a summary of the positions Parliament has adopted in the past on the question of future financing. It is based on past resolutions of Parliament. I would remind you of the resolution on own resources which was drawn up by a commission whose members included Mr Spinelli and in which Mr Barbi, Mr Nord, Mr Taylor and Mr Ansquer were also involved. This proposal is based on the Giavazzi and Pfennig reports and reiterates the positions set out in the Hopper report on the 30 May mandate.

Mr President, you said just now that Parliament must now take a decision. I feel we should make one thing quite clear: Parliament has taken decisions in this matter on several occasions in recent years and stated its position on several occasions. You do not therefore really need a decision from Parliament on the question of an increase in the limit on own resources and so on. Parliament's constant urging has at last resulted in the Commission coming forward with practical proposals. When you say that Parliament must take a decision, I would point out that the Commission has not yet answered a number of questions this Parliament has asked. We would be grateful if these answers could be given on the basis of the resolution Parliament adopts.

I should like to say a few words about the content of our proposal. We believe that the question of future financing — as you have implied, Mr President —

Arndt

must be taken as a whole. I would even go so far as to say that it forms a package, all aspects of which are essential. I will try to explain the various aspects of this package.

First, there is the increase in the limit on own resources. It has often been discussed in this Parliament, but it is indissolubly linked to the call for an end to the production of structural surpluses in certain areas of the agricultural policy. That is one aspect of the package.

I believe that we in Europe — and this goes for all the institutions — should stop trying to fool each other or to get out of taking decisions. The attempt will undoubtedly again be made, but I hope it will not succeed. The object is in no way — as some people are again saying — to cut back on the common agricultural policy. On the contrary. But the production of surpluses is a threat to the common agricultural policy and thus to the European Community. Anyone who simply wants the limit on own resources raised, without anything decisive being done about the production of surpluses, really wants no more than additional money to spend on misguided agricultural policy decisions.

This link between the two requirements must be recognized: they form a package. I would also say to my fellow Members in this House: we shall not be able to level any further criticism at the Council and Commission in the future if we do not ourselves take account of this indissoluble link and make a clear reference to it in our resolution.

I should like to add — and this is an aspect which I find is not sufficiently emphasized in the Commission's statements — that raising the limit will be a long process because it will have to be ratified by ten countries. One parliament on its own can prevent the increase. I know national parliaments which have decided unanimously, or almost unanimously, that they will not discuss an increase in the limit until surplus production has been decreased.

We would be throwing sand in our own and others' eyes if we did not state clearly that there will be no increase in the limit in the 1983 budget or the 1984 budget, and it is very unlikely to be increased in the 1985 budget. If all goes well, then, 1986 is the earliest we can expect to have these additional resources. I believe that that is taking a realistic view of the matter.

The question we have to discuss in the Committee on Budgets is: what happens in the meantime? We still feel that an increase in agricultural spending is possible in the meantime. The Committee on Budgets has not proposed that agricultural spending should be frozen in any way, let alone reduced, although this has been demanded by a number of Members of the House with some justification. But the increase in agricultural spending must not be allowed to exceed the

increase in other spending. Let me give you an example to illustrate what I mean. The European Community's revenue rises by about 10 % every year. If the minor portion of this 10 % is used for the increase in agricultural spending and the major portion for regional and social policy and to combat unemployment and hunger in the world, the imbalance in the budget can eventually be eliminated. This will also mean, however, that the Agriculture Ministers must in future respect the budgetary limits and not, like freelance artists, adopt directives which the budgetary authority then has to accept. I do not know of any parliamentary democracy where things are done as they are in Europe: supreme authority always rests with the national parliament, the legislative organs and the administration, and everyone else has to toe the line.

I should also point out — and this is also part of the package — that in December this Parliament decided not to approve a transitional solution as regards the unacceptable situation faced by certain Member States if these things are not clear. The proposal made by the Committee on Budgets explicitly states that we must have an all-embracing concept before we are prepared to accept other transitional solutions. This very important position forms part of the package, and it must be recognized.

We welcome the value added tax system you propose, which corresponds to Parliament's proposals in two respects — gearing the system to gross domestic product and to economic efficiency. But I must say one thing even now: the third component — the inclusion of agricultural expenditure in the value added tax key — is a combination of revenue and expenditure items in the budget that is unacceptable to Parliament. I know why this proposal is being made: you want to offer the individual Member States a real incentive to reduce the production of surpluses. I regard this as evasive. You should be putting forward proposals on the agricultural sector that lead to a *direct* reduction in the production of surpluses, not trying to achieve this with an additional value added tax key. We of the Committee on Budgets are pleased to see that you have dropped the proposal for financial contributions by means of a levy on agricultural production. Under no circumstances should you try to include this in the value — added tax key now.

Another aspect of this package is the accession of Spain and Portugal. It will be impossible to increase the Community's own resources without simultaneously taking a decision on Spain's and Portugal's accession. The two things belong together, and the accession of these two countries is one of the main reasons for an increase in own resources.

To summarize, all this must be seen as a package. One aspect cannot be accepted if another is rejected. What the Committee on Budgets has proposed — I

Arndt

repeat — is a summary of the decisions Parliament has taken in the past on these questions. Anyone who seeks to weaken Parliament's position by tabling amendments to past decisions will be acting irresponsibly, because the Council will again be trying to evade the issue, as the President of the Commission has said and as the chairman of the Committee on Budgets made abundantly clear during Parliament's last past-session. If we do not find a solution to the future financing of the Community, we can forget all the fine words about the Community's other tasks, because the Community will not be able to take them on. It remains to be seen whether we can together prevent the crisis or whether the Community suffers a decisive setback.

President. — To wind up the debate which will follow, I have received four motions for resolutions with request for an early vote :

- by Mrs Scrivener and Mrs Veil, on behalf of the Liberal and Democratic Group (Doc. 1-300/83/rev.);
- by Mr Arndt, on behalf of the Committee on Budgets (Doc. 1-302/83);
- by Mr de la Malène, on behalf of the Group of the European Progressive Democrats (Doc. 1-315/83);
- by Mr Baillot and others (Doc. 1-319/83).

The vote on these requests for an early vote will be taken at 3 p.m.

The texts of these motions for resolutions are available from Distribution in all the official languages.

I remind the House that the deadline for tabling amendments expired at 5 p.m. yesterday and that the vote is scheduled to take place tomorrow, 19 May, at 6 p.m.

Mr Fich (S). — (*DA*) Mr President, the history of the European Community over recent years has been a history of crisis. We have gone from crisis to crisis, and it has often looked to us as though the whole Community might fall apart. But it is surely no exaggeration to say that the crisis we are in at present is the gravest we have experienced so far. For now it seems that all areas are in difficulty all at the same time. Let me just run through a few of the issues. We have agricultural expenditure and agricultural production which, in our opinion, have got out of control. Of course I congratulate the Council on the decision it took two days ago, but I am still not convinced that it can check the huge rise in agricultural production. We are facing the problems of an enlargement of the Community, an enlargement which is becoming increasingly urgent and which cannot be delayed any longer. We have demands for the development of

other forms of policy, which a single Member State has pressed with particular energy as a means of securing more balance in the budget. And we have what we are discussing today, the problems arising from future financing. All these problems have to be solved at the same time and must be solved now. Failing to take the necessary decisions is no solution.

In this context Mr Arndt has drafted a resolution which I am happy to say the Socialist Group will support in broad outline; indeed we shall give it vigorous support, since we think it a good resolution. It is hardly surprising that the Socialist Group supports this motion because our group already decided its policy on future financing two years ago, and this policy is broadly in line with that which emerges from Mr Arndt's draft resolution.

What does this mean in concrete terms? To begin with, it means that the Socialist Group takes a positive attitude towards new own resources. But — and this is very important — it should be linked to ways and means of controlling the development of agricultural expenditure. It is not possible to achieve the one without at the same time doing the other, and our group has made this absolutely clear. It is an absolute precondition. We have tabled an amendment on those lines, because we nevertheless think that Mr Arndt's draft resolution needs to be strengthened considerably on precisely that point: that a link should be seen to exist between new own resources and control of agricultural expenditure. It also means for our group that we accept a modulated system of VAT, indeed we are positively in favour of it. But we think that, if we are to have a modulated form of VAT, it should apply to the whole VAT and not just part of it, i.e. that part of it which is arrived at according to a rather sophisticated calculation method which the Commission has devised. We think that the whole amount of VAT should be modulated, and we accept two of the indicators the Commission has specified, namely the gross domestic product and the Member States' economic capacity. On the other hand we agree with Mr Arndt in rejecting the inclusion of agricultural expenditure on the revenue side of this system of modulation. We think that this will involve a mixing together of expenditure and revenue which is quite impossible and is in conflict with any rational budgetary policy.

It is also important that Mr Arndt's draft resolution states that there should be no more transitional solutions for any country, unless there is clear agreement and a clear decision on what form future financing should take. There can be no talk of repayments such as we have seen in past years. Our group has taken a clear decision on this, and we are glad to see that position expressed almost as clearly in Mr Arndt's draft resolution.

Fich

The most important paragraph in our opinion, however, is paragraph 12, which makes it quite clear that the Community's future lies in the development of the expenditure side, that it is by way of the expenditure side that we must develop the new policies; that is how we can establish the balance — not by way of the revenue side. We can of course make a few adjustments where revenue, is concerned, but on the whole it is the expenditure side which we should use to establish the necessary balance between the various forms of policy, and this point is of vital importance to us.

I should like to make a purely personal comment. I think that up to now the Commission has concentrated too heavily on the revenue aspect of the Communities. I believe that, if the Commission and Council of Ministers had concentrated on discussing new forms and agreeing on new forms of policy, we should subsequently have been able to find the resources needed for these purposes. But I do understand — and this is a purely personal comment — that certain Member States are not prepared to contribute more finance if they do not know what the money is to be used for, and that is precisely what the problem has been.

Let me close by saying that we do therefore support Mr Arndt's draft resolution. We think that it is a valuable contribution to the Stuttgart Summit. The Commission proposal and Mr Arndt's draft resolution have pointed a way forward. It will be a long and difficult way, but we believe and hope that the Socialist Group has now shown clearly what road should be taken in the coming months.

Mr Barbi (EPP). — *(IT)* Mr President, on behalf of my Group, I wish to express our satisfaction with the formal proposal of the Commission for the future financing of the Community.

At last! Late — I think we should say — but better late than never! The European Parliament tried to get this proposal put forward two years ago, as Commissioner Tugendhat has just reminded us. The mandate of 30 May had made this decision necessary — indeed, I would say, inevitable. And we are satisfied, also, both that the present system of own resources has been confirmed, with VAT remaining as its fundamental source of finance — as this Parliament had insisted — and, above all, because that source of finance is to be gradually increased, with a special and indeed wise decision-making procedure for subsequent steps.

Undoubtedly, the indicator mechanism for modulating contributions, by means of which the Commission proposes to lighten the British and German contributions, as a transitional measure, will give rise to argument and discussion — as it has already done here.

It is easy to foresee that there will be substantial negotiating difficulties as between Member States, not least because the question of agricultural indicators is undoubtedly a controversial one — as we have just been reminded — and can arouse the suspicion that an attempt is being made to return to the system of national contributions, precisely in a sector — the farming sector — in which the only real Community policy has been developed and implemented.

There is no truth in this. I personally believe that this way forward is also feasible. Nevertheless, we want the other two indicators — per capita GDP, and the index that reflects the dynamism and profitability of each Member State's economy — to represent some sort of a beginning for the implementation of that principle which, in our view, must underlie any just, democratic fiscal policy — that is, that the level of taxation should be proportionate to capacity to pay.

All of this is, however, debatable: it will be discussed, it will be corrected, it may be improved. What matters — I repeat — is that the Commission should finally have faced the Council with a concrete, precise proposal. The Council now knows, without any mistake, that if it wishes to keep alive what has so far been achieved in the cause of European unity; if it wants to implement new Community policies, capable of bringing about European economic revival and giving employment to our fellow citizens; if it wants to reduce to acceptable limits the budgetary imbalance existing between the Community and some Member States; if it wants to provide a sound economic foundation for the political decision to enlarge the Community with the admission of Spain and Portugal; if it wants to do all that — as indeed it has repeatedly said it does — the Council must take urgent decisions on the proposal that the Commission has put to it, and which we approve in its broad outlines.

Of course, this Parliament intends to examine the proposal in detail. We received it just when we were preparing, by means of the Arndt report — a report, in fact, which summarized everything that Parliament had already said; a succinct, even modest report, I would say, with no very great pretensions — to urge both the Commission and the Council once more to take this course.

Also, our Budget Committee, having heard the opinions of the other competent Committees, will naturally in due course propose to this Assembly that there should be a more detailed and very thorough debate. But, from the political point of view, it is as well that the Commission should know, straight away, that it has our support for its initiative, and that the Council should remember how, over the four years' life of this elected Parliament, the Council has been urged on many, many occasions by the representatives of the nations of Europe to do what they want — namely, to

Barbi

take prompt steps to provide the Community with the necessary financial resources to carry out those policies that, if implemented on a Community basis, are less costly and hence more profitable for the progress of our economies.

We wish the Council now, at the Stuttgart Summit, to approve — at least in its fundamental outlines — this expansion of the Community's own resources which is necessary to accommodate the inclusion — to which we have all repeatedly given our support — of Spain and Portugal in the Community.

For this purpose we have presented an amendment to the proposal put forward by Mrs Scrivener, in which we urge the need for a decision on own resources in relation to the enlargement of the Community to include Spain and Portugal.

(Applause from the benches of the EPP Group).

Mr Balfour (ED). — Mr President, this House knows well the budgetary principles which have guided our group during our long debates in committee and in the plenary session of this Parliament these last four years.

It was always clear to us that no progress towards an extension or diversification of the Community's own resources could be made without simultaneous progress towards controlling CAP expenditure. It has also always been assumed by my group that these two elements could only come together when the excesses of agricultural spending had exhausted the Community's resources. This then is the stage which we have now reached. The Commission has at last presented its specific proposals and we have been given a resolution by the Committee on Budgets to wind up this debate. Overall, both are acceptable to my group, but the Commission and the Arndt resolution accept that there is an absolute linkage between progress and expansion of Community resources and real progress towards limiting the cost of present and future production of agricultural goods in structural surplus.

We have never believed that the 1% ceiling should forever remain the limit of the Community's financial competence. Along with the Commission and the Arndt resolution we believe that conditions can be created for diversifying and extending the Community's taxation.

We support absolutely the budgetary principles now proposed for spreading the cost of CAP expenditure among those who can most afford it and those who most contribute to the cost.

There are many ways to impose limits on guaranteed expenditure. Mr Arndt has said that he does not altogether like the VAT modulation proposed by the Commission. Yet we see merit in it. It takes into account, perhaps for the first time in any Community fiscal proposal, the principle of capacity to pay. So our

group wants greater balance and fairness in taxation. And we also support the political commitment to improve the balance of expenditure policies. Parliament's role in pushing for greater balance has been essential in the past. We are happy that the road ahead at least begins to come into view. We, at last, have some conception of the long-term solution for which this Parliament and my group have for so long been pushing and we are glad that the Arndt resolution is realistic enough to accept that whilst our shared concept of the future financing of the Community is being implemented in the ten Member States, we will have to live with temporary transitional solutions. It may take years and I am glad that provision for this has been made in the resolution.

So my group congratulates the Commission on the subtlety and the constitutional potential of its proposals and we congratulate Mr Arndt on his realism in the resolution which he has put before us.

IN THE CHAIR : MR VANDEWIELE

Vice-President

Mrs Barbarella (COM). — *(IT)* Mr President, I should like first of all to emphasize what appear to me to be two meritorious aspects of the proposal that Commissioner Thorn and Commissioner Tugendhat have just expounded to us.

The first is the fact that these proposals actually exist : they are late, as Mr Barbi emphasized a short time ago, but they are, nonetheless, proposals. This seems to me to be very important because — it has to be said — in recent years we have become unaccustomed to the Commission's taking up firm positions : what with memoranda, analyses and documents of one kind or another, they had seemed almost to wait for prior agreement from the Governments. Today, therefore, we can only rejoice that the Commission has finally accepted its full responsibilities and, in doing so, has brought the Governments at Stuttgart face to face with theirs.

The second advantage of this proposal seems to me to be that it offers, if you like, an element of provocation : the agricultural part in particular seems rather like that to me. There may or may not be agreement on the proposal for differential VAT rates, or on the suggested target of 33 % for agricultural expenditure ; nevertheless, I think that — whether there is agreement or not — the merit of this proposal lies in the fact that, finally, the problem of agricultural expenditure and that of the budgetary imbalance of Great Britain, which is a related problem, have been brought up fairly and squarely for discussion.

Having said this, and without wishing to go into the details of the proposal — since that would take too much time — I should nevertheless like to ask this

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Assembly what is, in my view, a very important question: what is the price that we shall have to pay, where Community principles and acquisitions are concerned, if we accept this proposal? I think that it embodies certain objective risks, and we cannot blind ourselves to that fact. I think that the principle of the financial solidarity of the Community has suffered something of a setback by the proposal: less, of course, than would have been the case with the other proposal put forward — I refer here to the maximalist 'tunnels'. Nevertheless, it seems to me that this proposal is a retrograde step in regard to what was one of the basic principles of the Community.

I do not think that the proposal is concerned mainly with equity, i.e. a fair share of the Community budget for all Member States. We must, however, be honest: it does contain a suggestion of 'fair return', and this is a first reason for concern.

A second reason for concern in my view is that this proposal does not in fact solve the problem of agricultural surpluses. That is a problem that is not to be solved in budget terms, and it is for that reason that we consider it essential that these proposals from the Commission must be accompanied by other, very much braver ones where agriculture is concerned: proposals, that is, that finally go to the roots of the surpluses problem.

I don't think there is anything very shocking about setting 33 % as a budget target for agriculture. What we must ask the Commission, on the other hand, is how, in the medium and longterm, will it be possible to achieve a Community budget in which the proportion devoted to agriculture is very much reduced: whether it is 33 %, or 35 %, or 40 %, I do not think is the fundamental issue. In reality, it is instead essential that these proposals should be accompanied by others to deal with agriculture.

To conclude these brief remarks, Mr President — and, as I was saying, whilst fully aware, as we are, of the dangers inherent in the proposal — we consider it a very important one and a good one, from many points of view, taken overall. We can only therefore hope that at Stuttgart — late as it may be — the governments too, like the Commission, will finally live up to their responsibilities and agree to transfer new resources to the Community, since they are the prerequisite for any revival — not only economic but also, I would say, political — of the Community itself.

Mrs Scrivener (L). — (*FR*) Mr President, ladies and gentlemen the Community has reached a turning-point in its history, since it is in fact faced with the prospect of being quite simply unable to meet its commitments in the immediately foreseeable future. Last week in Brussels Mr Tugendhat gave us an outline of the budget for 1984, from which we could see for ourselves that the Community is virtually up to the ceiling of its own resources. So we are now faced

with the reality of a situation for which the Community has so far failed to find an answer, although it has been predicted for a long time. It is against this background that President Thorn has just presented a draft for the future financing of our Community. I should like to take this opportunity to thank him for his proposals, and Mr Tugendhat also.

Even before offering an assessment of the content of this document it is worth making the point that we at last have a text which provides us with the basis for looking ahead to the future and, as such, is of fundamental importance. Parliament will of course be formulating a detailed opinion on this draft over the coming months, but I think that it will be useful at this stage, with the European summit a few weeks away, to make a few observations on the substance of what it contains.

First of all, the significance of this document lies in the fact that it seeks to present comprehensive proposals. We are well aware on all sides that several issues will have to be settled simultaneously, since otherwise the Community will be unable to find a way out of its present crisis, and the Commission's draft attempts to take account of the problems of all concerned, proposing what is in a sense a compromise. It is implicit in any such compromise that there will be sacrifices and benefits for each of the Member States. Secondly, the Commission is proposing the removal of the ceiling for VAT. We support this proposal, which is the only real way to ensure that the Community is not brought to a standstill from time to time. However, we consider it essential — and I wish to stress this point, on which I am completely at one with Mr Arndt's words — that any additional resources should be assigned to the new policies for which Parliament has been calling persistently, and with good reason since these policies provide the key to balance between the Member States and their varied needs.

It goes without saying that we would not be prepared to agree to the removal of the ceiling without very strict arrangements for control. But the Commission has incorporated a threshold mechanism. Other mechanisms could no doubt be devised, but it has to be acknowledged that the system proposed by the Commission is coherent. On the one hand it allays any apprehensions that the Member States may have in that any increase in the volume of own resources has to be approved unanimously by the Council, while on the other hand it meets Parliament's long-standing claim to be involved in the process of decision-making on revenues. How often have we heard it said that Parliament has a tendency to be spendthrift because it has no responsibility for the revenue side of the budget?

Finally, the Commission's proposal for modulated VAT, based as it is on a series of indicators, has the merit of making for a better balance in Member

Scrivener

States' financial contributions, and this, whether one likes it or not, has become an obsession with our Governments. As far as the United Kingdom's contribution is concerned, the Commission's proposal offers the advantage of eliminating the need for *ad hoc* solutions such as those seen in recent years. This system of VAT modulation nevertheless needs to be verified by statistical simulation, and this has yet to be done.

At this stage, therefore, we are favourably disposed towards the proposals that have been laid before us; we feel that other solutions may be possible, which would perhaps even be more readily acceptable to some people, and to a significant number of Member States in particular. These proposals apart, however, there is of course a need for further measures — and this is another point on which I agree with Mr Arndt — in order to identify and tackle the causes of deviations from the common agricultural policy, this in the interests of ensuring its very survival.

With your leave, I should like to close with a few words on the motion for a resolution tabled by the Liberal and Democratic Group with the forthcoming European Council meeting in Stuttgart in mind. We are asking Parliament to make an urgent plea to the Heads of State and Government. The Community is in a deep crisis, the President of the Commission has said so, and he is right. Fundamental issues must be settled. It is really hard to believe that this European summit will not bring a healthy reaction to the danger confronting the Community.

Our motion for a resolution does not seek to suggest specific solutions to each of the problems facing us, but rather to draw attention to those European issues which demand to be given priority. It in no way duplicates other motions concerned with the specific problem of own resources.

I should like to say in conclusion, that, as representatives elected by universal suffrage, we not only bear a responsibility towards the citizens of Europe to use all the energy and realism at our command to warn of the threat to the existence of the Community, but also have a duty to do what we can to avert it.

Mr de la Malène (DEP). — (FR) Mr President, Mr President of the Commission, ladies and gentlemen, in the draft decision that it has presented to the Council the Commission sets two objectives: an increase in the Community's own resources, and the elimination of imbalances in the budget.

On the first point — increasing own resources — we readily agree to the principle of this and, moreover, we are also in agreement with the method chosen: raising the VAT ceiling.

On the other hand we have much greater reservations about the procedure, about the removal of all limits on own resources subject only to authorization by the Council acting unanimously and Parliament acting by

a qualified majority. However, we are in favour of a measured raising of the ceiling. Why measured? This increase in resources is apparently necessary for the common agricultural policy; it is necessary to ensure that this policy — which should have been improved, not reformed — can now be improved, but not by rejecting the financial constraint, which would be a very poor way of going about restoring order in this policy. However, we find that the danger represented by the ceiling has been somewhat exaggerated and that, bearing in mind world prices and — regrettably perhaps — the current weather conditions, we do not face the prospect of such excessively swollen agricultural surpluses as was feared at one stage. As for the second argument advanced by the Commission in support of removal of the ceiling, namely the necessary growth in non-compulsory expenditure, I am sure that the Member States will have their doubts, and the same is true of us. Be that as it may, for the future we reiterate what we have always said: we are willing to finance policies as long as the Governments have agreed on them beforehand. We are not prepared to give money in advance and then wait for the policies to materialize. We expect to see agreement among the Governments, then we shall provide the necessary finance.

Nevertheless, I repeat that we are in principle in agreement with this the first of the Commission's proposals.

On the second objective, namely the elimination of imbalances from the budget, we have rather more reservations, beginning with the wording. This wording is, we repeat, inappropriate since the budget is not imbalanced. It is not a Community budget, but common policies, essentially the agricultural policy, that we have to finance. Since the agricultural policy is — unfortunately — all that we have, it is natural that it should account for the lion's share of the budget. This is not an imbalance in the budget, but an imbalance in our Community, which is unable to reach agreement on the common policies that we need.

The only problem to be tackled, the real problem perhaps, is the question of how the burden of costs should be distributed, which is a completely different matter from balancing the budget. We can accept that, despite the commitments entered into, there is cause for reflection on this point. On the basis of the figures proposed by the Commission, we can say that we would be in broad agreement with the overall volume of finance indicated. It is on the subject of the methods of raising this finance, especially the VAT rate varying according to agricultural indicators, that we have reservations. The Commission is proposing a shift in the burden of co-responsibility from the producers to the Member States, which is tantamount to renationalizing part of the common agricultural policy, this time on the revenue side.

de la Malène

We are prepared to accept financial sacrifices, but we are not willing to sacrifice the *acquis communautaire* and this variation of the VAT rate according to agricultural indicators — and I am referring here exclusively to the agricultural indicators — calls in question the principle of financial solidarity in the agricultural sector, which is always a serious matter. This proposal calls in question the *acquis communautaire*, and this we cannot countenance.

We are able to agree to varying scales of contribution or transfers determined according to GDP or any other criterion, since they do not represent a threat to financial solidarity and do not imply any renationalization of agriculture or co-responsibility on the part of Member States.

When the *acquis communautaire* is encroached upon through erosion of the principle of financial solidarity, we are on our guard, especially when we find no European commitment in exchange for this indirect but real encroachment, when nothing is said about Community preference, which needs to be reaffirmed. What I mean by this is that we have a proposal for a change in the basis of which the financial burden is shared, which we accept in principle, but nothing is said in return on Community preference, for instance.

This brings me to my conclusion. I have said in rather measured terms that we are in agreement with the first objective, that we can accept the second objective (the sharing of costs, not the elimination of imbalances from the budget), that we reject any erosion of financial solidarity, and — although we have no intention of reopening the age-old debate between maximalists and minimalists — that we wonder whether these proposals from the Commission are not insufficient to set in train the very cumbersome procedure for ratification by Member States. We are all aware that Europe is in need of a second wind. Is it going to get this second wind by taking this course? I have no wish to plead the maximalist cause — I am not of the persuasion, rather the contrary — but we are unsure and worried about the nature of these proposals. It is precisely because of their relative lack of balance and their relative lack of substance — I am weighing my words — that we fear that the procedure for ratification by Member States will be a little cumbersome in relation to the objectives envisaged, in which case they would not be achieved.

Mr Pasmazoglou (NI). — (GR) Mr President, I should like to congratulate the Commission, its President and its Vice-President, because these proposals are on the whole constructive and provide an answer to one of the most serious problems, perhaps indeed the most serious immediate problem faced by the European Community. Concerning this, Mr President, I would like to comment that the problem is not just whether there are sufficient resources for the day-to-day management of the European Community. The

matter is much more serious. Europe cannot break free from the economic crisis, from a grave state of stagnation and from inflation unless some Community initiative is brought to bear. No such Community initiative can be realized unless the ratio of the Community's expenditure to the Community's total domestic product is increased considerably. At present, this ratio is unacceptably low, at 0.7 %, and that is why we must move towards a ratio in excess of 2 % in the coming years. This is necessary not only for the continued functioning of the Community, but also for the economic and social progress of our peoples.

Mr President, I would like to point out that some of the basic proposals put forward by the President, Mr Thorn, and by Vice-President Tugendhat are likely to coincide with the views of Parliament, which incline towards the previous decision in 1981 following the Spinelli report. It is a positive comment that the 1 % ceiling should be abandoned, and there is a great deal of sense in the Commission's proposal to establish at once a ceiling of 1.4% together with a procedure whereby this level could be raised still further.

However, Mr President, the point concerning which I think there may be a serious objection is in combining this procedure with the agricultural expenditure. This does not mean that there are no problems connected with the agricultural expenditure. Of course there are, as we in the European Parliament have pointed out and stressed repeatedly. But this cannot be dealt with in the manner proposed by the Commission. Basically, it is impossible to correlate the share of the agricultural production in each Member State with the total production of the Community. That is not a sound principle, it is not logical, and I also think it is overcomplicated. On the contrary, I think that we can insist that there should be no increase in the expenditure on products existing in organizational surplus — that is where the problem lies. On the contrary, such expenditure should be restricted. There is a problem with products in structural surplus, and that is where we should focus our attention.

From another standpoint, Mr President, it is not legally possible for us to link the increase in the Community's resources to indicators having to do with agricultural production. What we can do, is to opt for political decisions — and I stress political decisions — establishing that the proportion of expenditure on the CAP within the Community's total budget shall not exceed some upper limit, say of 50 % or, if you wish, even 40 %. And one thing more. The proportion by which the agricultural expenditure is increased each year should be no higher than, for example, half of the proportional increase in the total budget.

Following these clarifications, Mr President, I also think that there can be a political decision, of course with the cooperation of the European Parliament, by

Pesmazoglou

virtue of which it would be established that the directions in which the Community's activities are extended should be those which we have all agreed are necessary. To be specific, the energy policy, a new policy for industry with emphasis on the advanced technologies, and of course, Mr President, the Mediterranean programmes. The Mediterranean programmes concern 100m citizens of the European Community and I wish to stress the importance that we attach to them. If any combination is possible between the proposals concerning own resources and the political decisions that I have suggested, I think, Mr President, that the European Parliament can reach agreement with the Commission of the European Communities and this will be an important step in the work of the Community.

Mr Balfour (ED). — Mr President, I would just like to ask exactly when the voting is scheduled to take place. As you know it has been circulated throughout the whole Community that voting on this will be this evening. I have heard it said that, it is now proposed to postpone this until tomorrow. I don't think a majority of the Members of this House want to see a postponement.

Can you please tell us what the present position is on the agenda?

President. — Mr Balfour, the vote will be taken tomorrow.

Mr Balfour (ED). — Mr President, I must object to that very violently, and I am not the only one in this House who will do so. There are other groups who have all made plans. This is not an easy city to get to at the best of times. It has been on our agendas for weeks. I would like you to give the floor to Mr Fich, who has something to say on this subject.

President. — Mr Balfour, I cannot give you an immediate answer to your question since we have to consider the matter in detail in the next half-hour. The work of the Secretariat is so complicated that, as the occupant of the Chair I am not able to improvise. We shall give you an answer very shortly.

Mr Fich (S). — *(DA)* Mr President, I am also in favour of having the vote today. There are certain members of our group who have problems for exactly the same reasons as members of another group. We should therefore very much like to have the vote taken today, of course if it is at all technically possible.

President. — I would ask you, Mr Fich, not to insist further at this time on an answer. We shall examine the matter in detail immediately with a view to providing you with a satisfactory answer this morning. Please do not insist further.

Mrs Hoff (S). — *(DE)* Mr President, ladies and gentlemen, the Commission's proposal for the future

financing of the Community was submitted much too late. As the amounts entered in the 1982/83 budget for the agricultural policy will not be enough this year and in view of the general state of the budget, it can be said that it has come two to three years too late, as the previous speakers have said.

It will after all take two to three years before the additional resources are actually available, always supposing that all the Member States agree to this proposal, which I doubt, but we shall see at the summit in Stuttgart next month.

Although the proposals the Commission has put forward are very reasonable, they cannot be implemented until lengthy ratification procedures have been completed. The Commission has not yet said how expenditure is to be financed until new sources can be tapped. I therefore raise this question once again and hope that Commissioner Tugendhat will now be in a position to give an answer. Nor can I spare the Commissioner responsible the criticism that he has not tried to prevent a financial crisis in the Community by putting forward proposals in good time. Parliament cannot be blamed in this respect, because we have repeatedly demanded since 1979 that preparations for the restructuring of the budget and an increase in own resources be made in good time, since it has long been apparent that, with the cost of the common agricultural policy rising so rapidly, expenditure would eventually exceed revenue. Despite all the proposals for savings Parliament has made, we now have this situation.

In this connection, it is also interesting to look at the preliminary draft budget for 1984, in which the appropriations entered for Parliament's administrative budget have been reduced by 0.2%. The appropriations earmarked for the Commission's administrative budget, on the other hand, have been raised by 15%. Perhaps the Commission can explain how this can be reconciled with the Community's limited resources.

I should like to make one thing absolutely clear: until an acceptable proposal is made for the reduction of structural surpluses, until it can be seen that a start has been made in this direction, we shall not agree to an increase in own resources. In this respect, the Commission's proposal is completely inadequate, since it does not adopt the premise that agricultural spending must be reduced. But that was the declared intention of many Members of this House and of the Commission. I should like to know why the Commission has now abandoned this objective, which is also set out in the Green Paper. No one apart from the representatives of the farming community understands this or is prepared to accept it. I therefore recommend that approval of Mr Arndt's resolution be made conditional on the adoption of the amendment tabled by Mr Fich and myself, which seeks to forge a link

Hoff

between an increase in own resources and a reduction in agricultural spending. I therefore conclude by saying: no new own resources without agricultural reform.

Mr Langes (PPE). — *(DE)* Mr President, ladies and gentlemen, I welcome the Bureau's decision to give us time before the Stuttgart summit to discuss the development of the Community and its financing. I am grateful for this opportunity. I also welcome the fact that last week the Commission submitted a new proposal, having found that there was little liking for the initial ideas set out in the Green Paper and having faced a great many questions from Parliament. Unfortunately, these questions have not yet been answered. This is a pity because, as this morning's debate has shown, there is a need for clarity with regard to the concepts involved.

We are glad that we now have this proposal from the Commission. But — as the chairman of my group and Mr Arndt have already said today — we cannot give a definitive answer to this proposal until we have considered it carefully. Mrs Scrivener is right: we need various data and figures for this purpose, because no one in the House knows what the three criteria are, how they are calculated or what the final outcome will be. What we have heard from the Commission so far is no more than an outline. What we are discussing here, therefore, are Parliament's proposals for the Stuttgart summit, that is to say, the Arndt proposal from the Committee on Budgets or the Scrivener proposal.

I believe the first point we can all agree on is that the ceiling on value added tax must be raised. There is no disputing that at all. My group was calling for this in 1979. The most we can do now is regret that it has taken the Commission so long to take up this proposal. But I am prepared, Mr Tugendhat — and please tell your President this — to join in the search for solutions, putting everything else aside, because we know how difficult the situation in this Community is. I am not prepared to talk of a crisis: we have difficulties, but difficulties have the advantage of setting things in motion and making it clear that things cannot go on as they are.

We must just be able to get by in 1984 with own resources at their present level. But we can say with a clear conscience — and this makes paragraph 19 of the Arndt proposal so crucially important — that, although we shall be pleased to see Spain and Portugal in the Community, there are three problems to be solved first. That is why, Mr Fich, I am opposed to your amendment seeking the deletion of the second paragraph. We of this Parliament must make it very clear that, if unanimity on the various aspects remains the rule in the Council, this Community will be weakened in the action it can take or even rendered incapable of taking action. For this reason, Mrs Hoff, my group and I are against your amend-

ment and that tabled by Mr Fich, which incorrectly links revenue and the agricultural budget.

This is also the only major point on which I differ with the rapporteur, Mr Arndt. He spoke of the imbalance of the budget — because of the agricultural budget. We cannot put it that way. We must accept that the Treaties of Rome began by designating the agricultural policy as the essence of the European Community and that the other policies have yet to be developed. The agricultural budget cannot therefore be blamed for the imbalance of the budget as a whole. That is incorrect. The only criticism that is justified concerns the structural surpluses, where we are spending money incorrectly and unnecessarily. Mr de la Malène, this is the point on which I disagree with you.

We cannot, on the other hand, say that the Council must first develop the policies, and we will then implement them. That is an incorrect view of our role as Parliament. We believe, for example, that the transport policy, which the Treaties of Rome accept as being a task for the Community, can be developed by the Commission and implemented by us together with the Commission. We are not waiting for the Council as if for Godot: we are convinced that there is room for parliamentary initiatives.

We therefore feel that this discussion with the Commission can be brought to a satisfactory conclusion. We also know that we shall thus be making suggestions for the Stuttgart summit. It would be a good thing if we could remove from the Arndt motion certain incorrect references to the agricultural policy which might be misunderstood, because it seems important to me for a large majority of Parliament to be united behind many of the points made in the Arndt resolution. Such unity would also be understood as the joint will of our Parliament.

(Applause)

President. — I should like to point out to the House that the debate on the future financing of the Community which was opened by the President's oral question to the Commission will be concluded this afternoon with two votes. In order to avoid any misunderstanding I draw your attention to the fact that the House will vote at 3 p.m. on the requests for an early vote and if they are approved the House will then vote at 5.30 p.m., i.e. during voting time, on the texts of these motions for resolutions. The final vote will take place at 5.30 p.m. I hope that this answers the questions contained in the points of order.

We shall now continue the debate.

Mr Baillet (COM). — *(FR)* Mr President, clearing up some of the vagueness of its Green Paper, the Commission has submitted proposals for the future financing of the Community to the Council. In our opinion, these proposals are unacceptable, first

Baillot

because they penalize certain countries arbitrarily, and secondly because they militate against progress in the construction of Europe.

Allow me to explain. France would be penalized particularly severely. Its net contribution would rise according to the scale by 4.1% by 18 billion francs in 1983. This contribution could be in excess of 30 billion francs in 1985, whereas the shares borne by the Federal Republic of Germany and especially the United Kingdom would be substantially reduced. No sooner has the contentious *juste retour* notion been thrown out of the door than the Commission brings it back through the window, with its modulation of Member States' contributions according to their respective shares of agricultural production. After the pummelling that it has received at the hands of the United Kingdom, the principle of financial solidarity would finally disintegrate. Instead of strengthening the 'cohesion and solidarity of the Community', these proposals would weaken it and cause it to fall apart.

The Commission may refuse to listen if it chooses, but I shall not tire of reiterating that the value of membership of the Community cannot be assessed purely in terms of budgetary transfers. Why, Mr Tugendhat, do you not develop a new system for evaluating the advantages and disadvantages — financial, economic and social — of membership of the EEC? We have already discussed this in this House. This new system would show, for instance, that the Federal Republic of Germany, although a net contributor, derives very great benefits from the system of compensatory amounts and is running substantial trade surpluses with all the other Member States, such as the one in the trifling sum of 33 billion francs that it had with France in 1982.

As for removal of the VAT ceiling, is it really necessary? Is it not premature?

We have already shown in this House how many appropriations are not fully utilized — often by a wide margin — because they do not correspond with policies properly formulated by the Community. Is this not a form of waste, one which is barely comprehensible in these times of budgetary austerity? Our colleague Mr Schön has demonstrated that it is, in a report, which we shall actually be debating today, on the discharge to be granted in respect of implementation of the 1981 budget. Why encourage this budgetary spending spree, the object of which is to sidestep the fundamental problems? Is it necessary to wait for additional resources before taking action? It is possible as of now, without incurring substantial financial costs, to strengthen the common commercial policy, to promote co-operation in the industrial, scientific and energy fields, to shift the emphasis in the budget onto economic expansion, and to strengthen solidarity with the developing countries. In our submission, it is the political will, not resources, that is lacking today.

Even if additional resources were to prove necessary, they could easily be generated through closer adherence to the Treaties, as we constantly repeat whenever budgetary matters are debated, and this should be done before any attempt is made to obtain them from the Member States or to exact them from our farmers. The desired result can be achieved by stopping the financial handouts to the United Kingdom, which should become fully integrated in the Community, but has still not even joined the EMS, or by abolishing monetary compensatory amounts and limiting derogations from Community preference, which cost over 20 billion francs each year.

So it is possible to find solutions for the future financing of the Community which comply with the substance of the Treaty of Rome and the agreements entered into since it came into force.

Mrs Castle (S). — Mr President, in the short time I have available I want to ask a simple question. What has happened to the British rebate for 1983? It seems to have disappeared. It has almost disappeared from this debate. It is mentioned only obliquely and rather equivocally in the Arndt report. It was not mentioned by Mr Tugendhat. And I understand it has disappeared also from the 1984 budget which was supposed to implement it. We shall be hearing about this later but I gather there is to be no special line to repay to Britain the excessive contributions she has had to make ever since she joined the European Community. Now I know it is like swearing in church to suggest that we have a legitimate financial claim when you are all talking so high-mindedly. But I remind this Chamber that it is a question of simple justice to a Member of the European Community and that justice, the fair deal that has been discussed so much, is now to be at the mercy — as far as I understand all these future financing intricacies — of some new complex arrangements both for raising money and for spending it.

That is one of the reasons why I cannot vote in favour of the Arndt report. Now there are some excellent things in it and I have no doubt at all of the genuineness of my good comrade Arndt's fervour when he talks about the necessity for the reform of the CAP. But I am not even prepared to mention the possibility of an increase in own resources until there is proof practical in the field and on the ground that the CAP is to be reformed. I am not prepared to put justice to the British people at the mercy of some long-term reforms which, even if they were to be implemented, would, it is estimated, give back to Britain, not all her own money, as Mrs Thatcher used to claim, not even two-thirds of it but, if we were lucky and it actually worked that way, we might get back less than one half of the over-payment that we have made. I am not prepared to divert more money to be spent by the European Community when it is obviously so incapable of effectively managing its own affairs.

Castle

Now the most significant speech in this debate was that of my British Conservative colleague, Mr Balfour. What was significant about it was that it was like the dog that did not bark in the night. There was not a mention in it about the UK rebate, not a whimper of protest that a figure had not yet been ...

(Mr Balfour asked to put a question to the speaker)

President. — The Rules of Procedure permit you to ask to speak on a personal matter at the end of the debate. You may not interrupt the speaker.

... I am sorry, I am not giving way, Mr President, and I demand an extra half minute to compensate.

(Interruption by Mr Balfour)

It is so interesting how vulnerable the Conservatives are. How sensitive they are, and I am not a bit surprised because they have every reason to be sensitive. It is astonishing to me to hear Mr Balfour meekly accept the proposal that we should move towards an increase in the one percent ceiling in own resources. His speech confirmed my suspicions that Mrs Thatcher is getting ready for a sell-out on the claims she has made on Britain's behalf in the past years.

(Interruption by Mr Balfour)

And that, Mr President, is why the Stuttgart Summit of 9 June has been postponed. You know, it really is a remarkable story. It was in March that Mrs Thatcher herself insisted that by 9 June a new deal for Britain giving us at least a two-third rebate must be signed and sealed. She insisted that that summit was to be the turning point. Only just before the House of Commons was dissolved, Mr Francis Pym, our Foreign Secretary, was assuring Members of the British Parliament that he was absolutely confident a deal would be agreed on 6 June. Then why suddenly postpone it at the last moment? Why does Mrs Thatcher say she is too busy to come because of the general election which she herself had unnecessarily called.

This was to be the summit from which she brought home the loot. The fact that she has postponed it makes it quite clear to me that there will be no loot to bring home. And secondly that she is recognizing now she will only get any kind of a deal within complex new arrangements that involve increased spending by Britain through the European Community I tell you the British people will never tolerate that.

President. — Ladies and gentlemen, a further comment on the incident which has just taken place.

A speaker may only be interrupted if he agrees to give way to the questioner. In this case there was no such agreement and Mr Balfour had therefore no right to interrupt the speaker. Under Rule 67 of the Rules of Procedure he may make a personal statement at the

end of the debate. I shall therefore not call Mr Balfour now.

Mr Früh (PPE). — *(DE)* Mr President, ladies and gentlemen, you are aware of the great difficulties the Community is facing, and I hope that we can get away from the everyday squabbles in our countries and back to our common cause.

I very much welcome the fact that we are debating the development of the Community and its financing. But I am sorry that it is not quite clear — and I suppose this was inevitable — whether we are discussing the opinion of the Committee on Budgets, the Arndt resolution, in other words, which is to be forwarded to the summit as Parliament's opinion, or the new proposal the Commission has now put forward for future financing methods. I can see that the two are very closely linked, but I hope it is clear that we are not adopting a resolution on the Commission's proposal today and that that can only be done after an exhaustive debate on the basis of an appropriate motion for a resolution. That should be remembered, I feel, lest we overlook important questions in our haste.

I welcome the fact — particularly where the agricultural policy is concerned — that after a great deal of wavering, we have decided that the 1% limit should be raised. At least there was no danger — as some suspected of us and as the Arndt motion says — that agricultural spending would absorb all the increases if a drastic reform was not effected first.

We will undoubtedly have problems with this agricultural policy. But they are not entirely due to the structure of the present agricultural policy but are connected, as you know, with the present world situation, with harvests throughout the world. We said little about this last year and the year before, partly because the agricultural policy resulted in considerable savings. Hence my appeal, and I believe it is one to which you will agree: this motion should state more clearly that, as the only common policy we have, the agricultural policy is not being questioned and that we are trying to do something about surpluses. We should not simply say: we have no more money and we must develop other policies, the best way being to take an increasing amount of money away from the agricultural policy. We must place this in the general context. Are we the only ones to have surpluses? Are only European farmers to be confronted with these problems, while farmers in all the other countries and regions of the world are left in peace? Should we not at long last be taking a very close look at the situation as a whole, discussing substitutes and asking ourselves why it is that the organization of the common market in cereals is costing us more and more money? We must have a clear picture of all this, and then I am sure we can find a solution.

We are prepared to cooperate very closely in the reduction of structural surpluses, but others must then

Früh

come forward with proposals and share the responsibility and not leave us in the lurch, because we are prepared to see agriculture bearing a large proportion, of the costs as well.

Mr Arndt called the Agriculture Ministers Europe's 'freelance artists'. That is, of course, a nice way to put it, but it must be remembered that these Agriculture Ministers are the real labourers of Europe. Let us give them a different decision-making structure that frees them of the obligation to reach unanimous agreement and allows them to take majority decisions. That would do away with a great many of the things that we get annoyed about today.

It is not the European agricultural policy itself that causes us difficulties but the constant national demands, one immediately following another, with no one budging an inch if his demands are not met. Let us therefore help to improve the decision-making procedures because if they are not improved, there will be no enlargement, no new policies will be introduced and the valued added tax rate will not be increased.

IN THE CHAIR : MR NIKOLAOU

Vice-President

Mr Price (ED). — Mr President, in yesterday's debates on human rights we brought out some of the differences between Eastern and Western Europe: Eastern Europe is united by suppression and conquest, Western Europe being by the democratic will of its people. Now that has consequences in terms of the development of the Community's future finances, because it means that we have to develop by common accord. It requires the confidence of the parliaments of each and every one of the Member States in order to get progress. That confidence will be won only if we can demonstrate to them that we are competent and courageous in taking difficult decisions on priorities in expenditure and that we are even-handed towards the interests of all Member States of the Community.

In the Arndt resolution prepared by the Committee on Budgets, I believe that there is a reasonable compromise that could be accepted around this Chamber and I think the speeches made in this Parliament today, with very few exceptions, reflect that accord. It is a way in which the Community can go forward and make progress, and I hope that the balance of the resolution will not be disturbed by amendments that would radically transform a very carefully worked out package.

Mr President, for me there are some very important points. The first is that the resolution, the Arndt motion for the Committee on Budgets, would make clear that the grant of extra resources is inextricably

linked to measures to restrain surplus agricultural production and that this is a conditioned precedent to the increase in VAT resources. Now I emphasize the restraint on *surplus* agricultural production because I and my group want to see a strong and healthy Community Common Agricultural Policy. But clearly that health will not be improved by continuing to produce surpluses that are by definition not required and not wanted. So that is a very important point in this resolution and it is one of the strongest statements that has yet come from this Parliament on that topic.

The second thing that I find important in the resolution is that the time factor is taken into account. Mr Arndt, in his speech earlier, referred to the 1986 budget as being the first budget in which we would be likely to see these changes in place. Paragraph 9 of the resolution makes clear that we need further interim measures in order to achieve equity for certain Member States. That is very clear because the time scale means that we cannot achieve the objective of equity simply through these long-term restructuring measures. I believe that that recognition will be widely welcomed, in particular, in the United Kingdom. So also will be the repetition of Parliament's call for a system of financial equalization in favour of the financially weaker Member States, such as, the United Kingdom.

That is another statement which is very clear in the Arndt text.

With those points in the resolution I must confess that I am mystified at the contribution made earlier by Mrs Castle. It was simply scaremongering, devoted not to the audience here today, not to the future development of the Community, but to a British general election by somebody whose party is trailing badly in the public opinion polls and is committed to the destruction of this Community and to withdrawing the United Kingdom from it. Mrs Castle was a member of the Labour cabinet which conducted a so-called renegotiation of the terms of Britain's membership. They produced such a poor financial mechanism that it totally failed to work. She was a member of the cabinet that produced the situation whereby the United Kingdom had a net contribution in 1979 of £ 947 m, and it was the Conservative government that had to come in and sort out that situation. The success of the Conservative government in achieving it has peaved Mrs Castle beyond endurance. We have therefore a British general election speech being made in this House.

Mr President my group is concerned with the future development of the Community and recognizes that this resolution, if passed today, will make a major contribution and secure the future of the United Kingdom within it.

(Applause)

Mr Alavanos (COM). — (*GR*) Mr President, we who represent the Communist Party of Greece consider the Commission's proposals unacceptable; they will exacerbate the problems faced by our country as a result of our membership of the Community. I would like to make the following comments:

Firstly these proposals not only fail to reduce the differences between the Member States, but on the contrary, they make them more acute. And that is the consequence of abandoning the notion of progressiveness evenness in the matter of contributions, and of the ideas concerning contributions related to each country's share in the agricultural credits and, more generally, of the attempt to improve the positions of the Federal Republic of Germany and Great Britain.

Secondly, we cannot approach the problems of contributions or revenue from each Member State's budget without at the same time taking into account the more general commercial advantages enjoyed by each Member State. Can we still speak of the benefits enjoyed by Greece, of grants from the Agricultural Fund, when on the other side of the scale we place the huge deficits generated for Greece by her accession to the EEC? If we take into account the fact that the 6 billion drachmas surplus we had in 1980 for agricultural products, we reached a deficit of 10 billions in 1981 and one of 20 billions in 1982? And what about the huge deficits that have arisen in the industrial sector?

Thirdly, we cannot of course defend the CAP knowing the serious adverse effects it has had for our farmers. Bearing in mind precisely those adverse effects how can we countenance a general attack against farmers? Are we to solve the problems by reducing the agricultural provisions of the budget when they can be solved by a whole range of other measures, when the problems relating to Greek raisins, Greek wine, Greek cotton and Greek tobacco can be solved by applying the principle of Community preference and by developing further our relations with the Socialist countries and the absorption by these of a whole range of agricultural products? Why is the Commission undermining the efforts made in this direction by the Greek government?

Fourthly, we regard as totally unacceptable that point in the Arndt report which envisages a change in the system of taking decisions relating to the budget.

Finally, I should like to say that for us too, the problem is not one of resources but of policy. If the resources are increased, we must point out the grave danger that will arise due to the fact that the additional resources will commit a large part of the national revenues. This is a particularly negative feature, and will increase the tax burden on Greece to the benefit of the Community.

Mr Saby (S). — (*FR*) Mr President, ladies and gentlemen when listening to my British colleagues, I

sometimes get the impression that, while we are striving to build the Community in three dimensions, others are picking it apart in a fourth, but of course I must be mistaken.

This said, the future financing of the Community will necessarily be conditioned by the degree of monetary stability and solidarity. However strenuous our efforts, they will be successful only if we also make progress elsewhere, and in the monetary field in particular.

VAT, then: 1%? 1.2%? 1.4%? Yes. In my opinion, the rate must be determined, but a change is inevitable and we shall have to go down that road.

My second point: an 'automatic step' of 0.4% of the VAT base seems unlikely under present conditions to command sufficient support among the Member States, and I would suggest to the Commission that it look into alternative proposals. On the subject of VAT, I consider that what is needed above all is a programme for harmonization of VAT rates throughout the Community. This too would make for progress in the debate on future financing. All this is of course conditioned by adaptation of the common agricultural policy, but I affirm and reaffirm that any adapted common agricultural policy must incorporate Mediterranean products. Discrimination is called for here: these products should be given their proper place in the common agricultural policy, no more and no less, which they do not have at present. In doing this it will of course be necessary to take account of the environment, trade with the Mediterranean region and above all enlargement of the Community to include Spain and Portugal.

As regards the proposed adjustment mechanism, the principle is acceptable, but we would prefer it to be more general, unspecialized, and we would welcome an opportunity to discuss the parameters.

This leaves the crux of the problem: what are the policies for which this financing would be used? Clarity of objectives is essential nowadays, and I feel that this is an area in which the Council has work to do. Of course we need new technology and innovation, but that means that we must have a presence upstream, in the research sector, and the practical will to co-operate with European enterprises.

The future financing of the Community revolves around two poles: coherence and monetary solidarity. Monetary solidarity is a necessity; to achieve coherence, we must have unity of the market, which has nothing to do with any form of protectionism, and I believe that this, and this alone, is the key factor in the future financing of the Community.

Mr O'Mahony (S). — Mr President the motion for a resolution tabled by Mr Arndt contains several positive proposals which should be fully supported by Parliament prior to the Stuttgart Council.

O'Mahony

It correctly points to the need to raise the 1 % VAT ceiling at the earliest possible date and is sensible in proposing that agricultural expenditure should not be taken into account when calculating the share of VAT to be paid by Member States within the proposed modulated contribution system.

It is of course more appropriate in budgetary terms that *per capita* incomes and the general level of economic performance in the Member States alone should determine the relative contributions to the Community budget, as suggested in the Arndt motion.

In my view, the motion is fundamentally correct also in pointing out that redistribution in favour of the weaker Member States can best be achieved through expenditure, not revenue decisions. In this connection, I must say that our discussions are slightly unreal in budgetary terms since we are dealing principally with the revenue side of the account, while the expenditure pattern for the future remains undetermined. This of course is unsatisfactory, not least because it leaves us to focus on the need to control agricultural spending without knowing how the resources saved will be distributed among either policies or regions.

I believe it is correct that increase in agricultural spending should be controlled in the future, but I believe too that the control mechanisms introduced must be carefully defined. The different levels of dependence on agriculture of the Member States and the continuing absence of an adequate regional policy preclude the use of most instruments to control agricultural spending, and I have tabled two amendments to this effect.

This is the principal deficiency in an otherwise valuable motion from Mr Arndt and the Committee on Budgets. It is wrong to focus on agricultural spending as the only problem on the expenditure side without taking into account the relative importance of agriculture to the economies of the different Member States and without alternative proposals for regional redistribution within the Community. In the case of Ireland, for example, the common agricultural policy remains the most effective means of securing a reasonable share of Community resources. Indiscriminate control of Community agricultural expenditure would in our case, lead to regional discrimination against us.

In general, however, Mr President, Parliament must welcome the Commission's financing initiative in its broad outlines. The financial crisis facing us requires early decisions, and it is appropriate that we should signal our desire to see an end to the political paralysis which affects the Council.

Mrs Calliope Nikolaou (S). — (GR) Mr President, in the little time available to me I would like to refer to the proposals on the role of the budget as a means of redistributing revenue in the interests of economic convergence. For a start, I would like to point out that the Commission's recent proposals constitute in this

respect a clear divergence from its initial position as stated in the 'Green Book'. In other words, whereas the 'Green Book' made specific reference to the need to introduce an element of progressiveness into the system for financing the Community so that revenues would be differentiated in accordance with the taxation capacities of the Member States, in the new proposals the notion of progressiveness is set aside and the entire effort is restricted to the problem raised by the excessive burden borne by some of the Member States. The method proposed for solving this problem not only fails to ensure progressiveness and to contribute to the convergence of the economies, but on the contrary, creates a danger that the less well developed Member States may have to bear a greater burden, by differentiating the revenues from VAT on the basis of agricultural expenditure.

We welcome the fact that the Arndt report considers this association to be unacceptable, and that the report explicitly calls for differences in *per capita* income and in the degree of prosperity in the Member States to be taken into account in calculating VAT, without limiting this just to a small part of the revenues from VAT as proposed by the Commission.

However, we oppose the principle expressed in the Arndt report, that the redistributive function of the budget will have to be achieved only in relation to expenditures and not in relation to revenues. This one-sided approach to the matter conflicts both with the Lange and Spinelli resolutions and with the Commission's proposals in the 'Green Book'. Moreover, we disagree with the association of the increase in the Community's own resources with the devaluation of the CAP. It is a fact that agricultural expenditure will have to be kept down by exercising control over the organizational surpluses, though account must be taken of the special problems associated with the production of Mediterranean products, and on this point we await specific proposals by the Commission.

On the basis of the above reservations we have submitted amendments which we hope will be adopted.

Mr Lange (S), chairman of the Committee on Budgets. — (DE) Mr President, ladies and gentlemen, I shall endeavour to be as brief but at the same time as clear as possible. Let me begin by making one thing clear: what the Committee on Budgets has proposed today was prompted by a feeling in the Bureau and enlarged Bureau that Parliament should adopt a position with regard to the meeting of the European Council in Stuttgart. This cannot — and everyone should realize this — mean that the motion for a resolution tabled and presented by Mr Arndt represents our opinion on the Commission's proposal for the future financing of the Community. There is no question of that. An opinion on this proposal must be preceded by a serious debate in the House and appropriate modifications by the Commission.

Lange

This has already been pointed out, but we must realize one thing: it is not enough for the President of the Commission to refer in his statement on the Commission's programme to the initiatives it has taken. What we have a right to expect from the Commission is that it not only publishes the document entitled 'Future financing of the Community' but also adopts positions in the form of proposals for directives or regulations, on which actual opinions can be delivered. And that is precisely the point with the European Council, which with the '30 May decision' gave the Commission certain mandates that have yet to be carried out. But the European Council has also relieved itself of the responsibility of following up its own decision. Hence this warning to the European Council. We must remind it of its responsibility and, as the assembly of the Heads of State or Government of the Member States of the Community, it must realize that the government of each and every Member State has a duty to ensure that the policy guidelines, for which they are responsible, are observed at each and every Council meeting by each and every Minister. The European Council cannot, as it has done on various occasions in the past, say it wants to clarify various positions and then, as actually happened in 1980, leave its Agriculture Ministers, for example, a completely free hand to exceed the limits necessarily imposed by the financial situation. That, then, is a very crucial point, and as regards proposals for the future development of the Community and of certain areas of policy in the Community, I urge the Commission to show more courage, come forward with proposals and so challenge the Council to adopt a position. The same goes for the European Council, which must also be forced down this road.

If these responsibilities are not accepted, I do not know how the Community will continue to develop, because I now see signs in various Member State governments of a relatively strong aversion to the Community's needs. Everyone seeks salvation by going his own national way. Everyone seeks salvation in national measures. Everywhere we see increased protectionism. That is precisely the opposite of what we need here.

Unfortunately, I must also say — and Members may criticize me for this — that I have detected possibly less pronounced, but unmistakable signs of such tendencies in certain parts of the House, where greater store is set by national positions than the cooperation that is needed at Community level and the resulting joint positions. If this goes on, we may miss an opportunity of being the real motive force in the development of the Community, something which the Commission has long since ceased to be. In other words, difficult though it may be for certain Members, we must suppress national egoism here. We must accept national needs provided that they correspond to Community needs. This can be done.

To conclude, I always have to listen to what the typical representatives of the Committee on Agriculture have to say here. They repeatedly read things into resolutions that are not there and simply claim — I am exaggerating now — that we want to destroy the agricultural policy. That is complete nonsense. What we want is an agricultural policy based on Article 39. What we do not want is the degeneration of the agricultural policy, and it has been degenerating for a number of years.

Everyone says this degeneration must be stopped, but when it comes to taking the plunge, there is no support for the action required. So here again, something needs to be done. This will also mean this Parliament, or certain sections of it, giving less prominence to national peculiarities, pastimes and passions and bearing in mind the needs of the Community. Meeting these needs will also mean — and I say this to the Commission and Council — giving the Community a chance to develop positively in future in the interests of its peoples and also to do its duty by the rest of the world.

Mr Tugendhat, Vice-President of the Commission. — Mr President, it is my pleasure to wind up this debate, which has, I think, been an extremely interesting one. I would like first of all to congratulate Parliament on finding a way of developing its procedures in order to be able to give a clear opinion to the European Council before it takes place, and I hope very much that when the Council does take place the views and opinions which have been expressed from all parts of this House will be taken into account by the Heads of State and Government.

Certainly, for the Commission's part, we have listened very carefully to what has been said. We realize that there are a number of questions still to be answered. We realize that there is a good deal more work to be done in committee, but I would like to take the opportunity to say that I have been extremely encouraged by many of the speeches which have been made. I will come to some of them in a moment.

I would like to start by commenting on what Mr Arndt said. I really do regret that he is not here in his place to hear my reply to the debate which he initiated, but nonetheless I will reply to him. Mrs Hoff, Mr Fich, Mr Balfour and Mrs Scrivener all, at one time or another, raised the question of control of agricultural expenditure. I think it is important that we should face up to this issue quite squarely. The Commission believes very strongly that more needs to be done to secure a better control of agricultural expenditure. That is why we have brought forward over the lifetime of this Commission and indeed the lifetime of the last Commission many proposals for production thresholds, for co-responsibility and for restrained price

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increases, nearly all of which have been either rejected or attenuated by the Council. Indeed, if you look at the proposals which we have introduced over the last three years and compare them with the decisions taken by the Council, you will find that the decisions have in general been about three times as expensive as the proposals.

However, Parliament must also face up to its responsibilities in this field. We are all of us pleased to see that the Agriculture Ministers reached agreement earlier this week on a figure for price increases of some 4,2 %, very much what the Commission had originally proposed. Parliament recommended an increase of 7 %, almost twice what the settlement has actually been, and nearly all the proposals which we brought forward for restraining surplus production and for securing a better control of agricultural expenditure did not find favour with Parliament and were rejected by it when this matter was debated in the context of agricultural prices in March.

I hope that all the fine words and fine sentiments — with many of which I agree — which have been voiced about agricultural expenditure by parliamentarians in this budget debate will also be reflected in decisions which Parliament takes in agricultural matters. One must remember that one cannot deal with agriculture on the periphery of a budget debate. One has to deal with agriculture through the appropriate system for changing the regulations and for taking decisions on policy matters. Hard political choices are required and it is not enough to make nice speeches on an own-resources proposal and then turn one's back on those words when one is actually talking about agricultural prices. I hope that Members of Parliament will remember what I said when agricultural matters next come before this house.

Mr de la Malène, Mr Baillot and Mrs Barbarella, among others, all suggested that in some degree we were undermining the financial solidarity of the Community in our proposal for modulated VAT. I must disagree with them most strongly in that suggestion. Our proposal, in its entirety, is designed to secure more own resources to tackle the problem of budgetary imbalances which is in itself a major challenge to the whole principle of financial solidarity and to maintain the *acquis communautaire*. We have pointed out that at the moment — and I emphasize the words *at the moment* — a disproportionate share of the total budget goes on agriculture. We have a general system of revenue-raising and a rather specialized system of expenditure. As a temporary measure, until we have developed a wider range of policies to take their place alongside agriculture, we believe that this modulated system is justified. It is, of course, self-correcting. As other policies develop to take their place alongside agriculture, one will find that automatically this modulated system will phase itself out.

To Mr de la Malène I would also like to say that I appreciate entirely his point that the fact that agriculture stands supreme, the fact that agriculture is like a skyscraper surrounded by hovels, is not a reflection on budgetary decisions. It is a reflection of the political incapacity of the Community to develop other policies to take their place alongside agriculture. We wish to see other policies developed.

Mr Fich said that too much emphasis had been placed on the revenue side of the budget and not enough on the expenditure. I would only say to him that we are talking about revenue proposals. We will be talking about expenditure proposals quite shortly when I make a speech on the Commission's expenditure proposals for 1984. In this particular proposal we are, of course, dealing with the revenue side of the budget.

Mrs Castle, who has also left, raised an important question, but a question quite outside the terms of reference of this debate. I had the impression that perhaps she was also talking to a different audience than the audience present in this House today.

Mr President, I would like to thank Mr Barbi, Mrs Barbarella, Mr Balfour, Mr Pasmazoglou and Mrs Scrivener for the general support which they gave to our proposals. I note with satisfaction the point that Mr Barbi made when he said that he felt that the use of the agricultural indicator in respect of VAT was a feasible approach. I recognize certainly, as I think all those speakers made clear, that there are a number of questions on which Members will wish to secure further clarification during the later stages during the continuing procedures for giving effect to our proposal. I share with Mr Langes the view that the way to proceed in this matter is to work together, not behave as antagonists or adversaries but try to approach Community problems in a Community spirit and with a joint effort by Parliament on the one hand and the Commission on the other. That is certainly the spirit in which we will try to respond to the questions that have been raised.

Mr President, I would like to end where I began, when I said that I hoped that the European Council would pay attention to the views and opinions that have been expressed from all sides of this House. In particular I would like to draw the attention of the House to the motion for a resolution tabled by Mrs Scrivener and Mrs Veil, which, of course, goes far beyond the particular terms of reference of our proposal but does, I think, place the European Council firmly in front of its responsibilities. I hope very much that the European Council will find itself inspired by the approach indicated and the sentiments contained in that motion for a resolution tabled by Mrs Scrivener and Mrs Veil.

Finally, Mr President, in answer to Mr Lange I would point out to him that we said we would bring forward a proposal early in May, and we have done so. We

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even said we would bring it forward on 4 May and we did that. I take his point that this is not the end of the road, that this is indeed the beginning of a new road and that further proposals from the Commission will be required. We fulfilled our commitment on time in this matter. As Mrs Barbarella said, it is not always easy to bring forward proposals in the Community as it stands today, but we have done so in regard to own resources. I can assure Mr Lange therefore that his words will be ringing not just in my ears but in the ears of my colleagues as well and that we will be bringing forward further proposals to flesh out the very important skeleton that our present proposal represents.

Mr Langes (PPE). — (DE) Mr President, to prevent a misunderstanding on Commissioner Tugendhat's part, I should like to say the following for the record: the chairman of my group, Mr Barbi, did not say on behalf of the EPP Group that we agree with the agricultural indicators. What he said was that we would examine them. We are open to all proposals.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I do not want to take the time of the House. I think there must have been a problem in interpretation because I did not say what Mr Langes just suggested I said. If he would like to speak to one of my Germanophone colleagues, he will explain exactly what I said.

Mr Balfour (ED). — Mr President, I do not think there is a chance of a reply since the person to whom I am addressing my questions does not even have the courtesy to be here. Having hogged the limelight and the camera she has now bolted as we would expect her to do. But the questions I would have put to her had she had the decency to be in this Chamber throughout the whole debate is: did she not hear me congratulate the Commission on its long-term solution, which means fairness and equity for my country? Did she not hear me congratulate Mr Arndt on the realism with which he accepts the need in the interim for short-term measures — which in her terminology means rebates? Is it that she prefers chequebook rebates? Is that her problem, just because these are unpopular, whilst we want rebates and equity through increased expenditure lines in our budget? Is it that we are doing too well? Is this what she cannot bear? Has she not seen that we have now much bigger expenditure lines in the preliminary draft budget which will vastly benefit the United Kingdom? Has she not seen the open-ended token entry line in the budget, which is the ultimate safety net? Is it that she wants to antagonize this House to make this Parliament's task of ensuring greater fairness more difficult? Is it that she cannot bear the fact that the Commission and the Parliament want to be fair to the United Kingdom — that this would put the Parliament and the Commission somehow in too good a light? How treacherous can she be? And her final treachery is to announce that she intends to vote

against Mr Arndt, her colleague and comrade, whose resolution calls for a massive reform of the CAP.

(Applause)

President. — The debate is closed.

4. Preliminary draft budget 1984

President. — The next item is the statement by the Commission on the preliminary draft general budget of the Communities for 1984.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I am afraid the House is hearing rather a lot from me today and I am sorry to say that I have not finished yet — I think I have two more speeches to make after this one during the course of today.

Mr President, last week the Commission adopted the preliminary draft budget for 1984. I am, therefore, pleased to be able to come before the House so soon after the decision was taken and to inform it of the results of our work. I should, of course, point out to those who do not know — there cannot be very many — that my first act after the Commission had taken the decision was to go before the Committee on Budgets of Parliament to provide the information. Indeed, I went straight from the Commission chamber to the Committee on Budgets to do that.

Mr President, throughout its work the Commission took full account of Parliament's resolution of 9 March on the guidelines for the 1984 budget. Central to this resolution was the need to continue in 1984 the efforts begun in 1983 aimed both to combat unemployment and to fight against hunger in the world. Our proposals for these, as well as for other areas, are designed to continue the process of implementing the objectives set out in the mandate report which in turn aimed at providing a renewed impetus for the development of Community policies.

The preliminary draft budget for 1984 seeks to maintain this impetus and to enhance and broaden it along the lines set out in President Thorn's programme to Parliament on 8 February. Concrete budgetary proposals are made in respect of new Community initiatives foreshadowed in that speech whose adoption will help achieve the reflection in the budget of a better balance of Community policies. In this way the Commission has acted in a manner which makes a positive contribution towards solving the problems of budget disequilibria and does so in an entirely *communautaire* fashion. In order to achieve these aims the Commission has proposed a VAT rate of 0.95% which will involve the virtual exhaustion of all the Community's currently available own resources. These resources are estimated to amount to 26 200 million ECU, whereas expenditure appropriations amount to 25 500 million ECU. In other words, there remains an unused margin

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of only some 700 million ECU. 1984 seems likely to be the last year for which it will be possible for the Commission to propose a valid, credible Community budget within the confines of the existing Community own-resources ceilings.

In addition to the problems of limited expansion of potential own resources, of the need to maintain some reserve as a margin of security and of the importance of providing adequate budget resources in support of the development of Community policies, is that of agricultural expenditure. The current rate of growth of agricultural expenditure is a source of particular preoccupation. The Commission nonetheless maintains its policy aim that this expenditure should increase at a rate less than that of potential own resources, expressed over a number of years. Without a special effort on the part of the Community to impose more effective constraints upon the financial implications of its agricultural policies, this aim seems unlikely to be achieved. The Commission's proposals for the 1983/84 marketing year, and in particular the measures concerned with producer participation, represent a positive step towards rectifying the situation. The Commission is pleased that the Agriculture Council yesterday adopted these measures.

The Commission has estimated the cost of EAGGF (Guarantee) expenditure in 1984 to be 16 500 million ECU, at which level it would represent slightly less of the budget, in commitments, than in the current budget. It represents an increase of 17.4 % over the budgeted figure for 1983, but is a much smaller increase when account is taken of the need for a supplementary budget in 1983, which would add a considerable amount to EAGGF (Guarantee) appropriations. The Commission will closely monitor developments in this sector and will, independently of actual expenditure developments, present to the Council such new proposals as it may judge necessary in the light of the current and prospective market situation.

I should perhaps also point out, Mr President, that at the present moment the weather we are having seems likely to work in favour of restraint of agricultural expenditure as well — although, of course, weather can change. But at any rate, at the present level, EAGGF guarantee expenditure would represent slightly less of the budget in commitments than in the current budget.

Having dealt, Mr President, with agriculture, I will now mention each of the other major spending activities in turn. I will focus attention mainly upon the policy issues which have influenced the Commission's decisions.

Regarding the Social Fund, the Commission is convinced that it can contribute positively towards combating unemployment. Activities undertaken by the Member States must be complemented at Community level. We have, therefore, proposed an increase of 41 % in commitment appropriations to bring the

fund to a size which would enable the Community to have a tangible impact in this priority area. Specific attention has been given for assistance to young people in order to curb not only the economic waste but also in order to minimize the problems which their plight represents for society generally. Priority for the Social Fund does not, in the Commission's view, imply a requirement to diminish efforts in other priority sectors. In this connection, I would add that as regards the Regional Fund the Community must combine, in an equitable manner, its efforts to reduce unemployment with those to reduce regional imbalance.

As with the Social Fund, the Regional Fund too can make a useful contribution towards turning to advantage the initial uncertain signs of economic recovery. The Commission has proposed a 24 % increase in commitment appropriations for the Regional Fund. An effective Community contribution may also be made towards the struggle against unemployment through efforts to offset industrial decline by a renewal of productive industrial investment. Such action is a necessary precondition for Europe to emerge healthily from the economic crisis. For this reason, the Commission considers that measures that have a direct impact on industrial revival must be reinforced. This implies increased activity in the fields of innovation, research and development, and energy policy. For energy and research the Commission is proposing a considerable number of new activities designed to reinforce energy independence and the competitive capacity of the Community's industries. For energy as such, the provisional draft budget, envisages new Community initiatives in coal policy and in energy investment sectors. The uncertainties on the world's oil markets and the insufficient efforts made to date to cope with the energy crisis require increased efforts in achieving an energy strategy endowed with adequate means. In the fields of industry and the internal market, the development of advanced technologies in informatics and telecommunications all have a vital role to play in re-establishing competitiveness for the Community. The external challenges must be met both in order to secure the creation of new jobs and to ensure the healthy development of Community technologies at an international level. Transport policy, in the Commission's view, also has a vital role to play and should receive an important stimulus in 1984 through the launching of an infrastructure policy worthy of the name.

As regards external economic policy, the Community has obviously the role of a principal partner in world trade and thus special responsibilities towards all trading nations and particularly towards those in the developing world. The Commission, therefore, has proposed a further reinforcement of Community efforts in development cooperation and in the struggle against hunger in the world.

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I am pleased, Mr President, to be able to tell Parliament that the Commission has been particularly conscious of the need to justify all its budgetary proposals in terms of the burdens on Community taxpayers. Consequently, wherever expenditure can be checked without prejudicing Community activities, the Commission has pursued a restrictive approach. This has been particularly the case in all items of administrative expenditure.

Moreover, as regards staff requests, the Commission has limited its bids to those areas where reinforcement is imperative if it is to be able to discharge adequately the responsibilities placed upon it.

Mr President, the House will be aware that it is not materially possible for the Commission to produce in complete documentary form at this stage of the budgetary procedure the details of its proposals. The pragmatic calendar which was agreed by Parliament a month ago, provides for all of the budget documents to be transmitted to both halves of the budgetary authority by 20 June at the latest. The Commission will, of course, do everything to respect this timetable and also to help to ensure the timely adoption of the right budget for 1984.

(Applause)

President — *(GR)*. Ladies and gentlemen, under Rule 40 (2) of the Rules of Procedure, Members may submit brief and concise questions to the Commission for a total time not exceeding 30 minutes.

Mr Patterson (ED). — Mr President, I would like to put one or two questions to the Commissioner, on behalf of the Committee on Social Affairs and Employment, concerning the Social Fund. We did not have very much detail on this today and perhaps I could press him to give us some more information.

My first question is, on what basis are the figures being drawn up? Yesterday, we voted on a new regulation. Is the Commissioner certain that that regulation will be adopted by the Council in time for the 1984 budget? And if it is not, what will he do? The figures I have are based on the new regulation.

Secondly, he mentioned that commitment appropriations would be going up by 41%. He did not tell the House that — according to my figures — payment appropriations will only be going up by 14.8% which is very small indeed. I know there are going to be carry-overs of some 320 million ECU and I might also ask him why these enormous numbers of carry-overs have been planned? After all the Social Fund is over-subscribed. Could I finally ask him did he not take any notice at all of the vote Parliament took yesterday to the effect that if the Social Fund's tasks are going to be increased, so must its budgets, and by considerably more than the 41% commitments he talked about. We voted for doubling the Social Fund. Why has the Commission not taken both last year and this year into account?

Mrs Lizin (S). — *(FR)* I should like to ask the Commissioner how the Commission intends to incorporate the revenues to be derived from taxation of imports of hydrocarbons into its budget, within the timescale that he has just set out.

Secondly, has the Commission abandoned the idea of raising revenues on other sources of energy, such as nuclear energy in particular, and, finally, why has not the Commission made the effort to build this new proposal into the overall package?

Mr Balfour (ED). — Mr President, I have not got a specific question for Mr Tugendhat that was not covered earlier. The only question I think that follows from his statement is whether it would be helpful for the House — if he has the figures — for him to explain for the different lines of the budget, how much are the increases proposed by the Commission that arise from the energy measures and the other measures which followed upon the 1983 budget procedures adopted by this House. By that I mean that certain sums were approved last year for expenditure in the United Kingdom. I think we see evidence of a continuation of these programmes which we support fully. Is it possible for these to be quantified and would it be helpful to the House to have this kind of statement at this stage?

Mr Herman (PPE). — *(FR)* Could the Commission tell us why the agricultural indicators could not be based on the increase in agricultural surpluses attributable to each Member State, rather than on the value of agricultural production?

Mr de Courcy Ling (ED). — Mr President, although I understand, on behalf of the Committee on Development and Cooperation, that there is no prospect of the European Development Fund being budgetized in 1984 or in 1985, would the Commissioner care to comment on the long-term prospects for the budgetization of this fund. And would he also give the House some indication of the proportions of money spent on the European Development Fund on the one hand and on aid outside the Lomé Convention, as proposed for 1984, on the other?

Mr Lange (S), *chairman of the Committee on Budgets*. — *(DE)* Mr President, we have before us a preliminary draft. The Council establishes the draft, and it is then our task to consider it. Secondly, the Commission and we must state whether we are prepared, in view of what the Commission has proposed for the revenue side in two years' time, to arrange the expenditure side so that the needs of the European Community and its various sectors can be met. In other words, questions like that put by Mrs Castle just now can no longer be asked. She has demonstrated typical national egoism and failed to understand that these are not the United Kingdom's

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resources but Community resources, which she wants refunded. She is thus saying exactly what her Prime Minister says.

The essential point now is whether the Commission is prepared to join with Parliament in urging the Council to ensure that the balance — if I may call it that — of Community policy is reflected in the organization of the budget. My impression is that the preliminary draft does not yet fully meet these requirements.

The Committee on Budgets will consider the preliminary draft in this regard. It is not, as I have just said, the final version. The important thing now — and this applies to conciliation with the Council in July — is that the Council is persuaded to propose entries in the budget that generally satisfy us, the Commission and even the Council. Hence my appeal to the Commission to join with Parliament when it comes to arranging the expenditure side in such a way that financial burdens in the budget and in the European Community can be considered balanced.

Mr Tugendhat, Vice-President of the Commission. — Mr President, it is hard to produce comprehensive replies quite as quickly as that, and if I am inadequate in any way I trust the Members will take it up with me and we will provide further information in written form. Let me go through the questions in the order in which they came.

To Mr Patterson I would say that the answer to his question lies in the need to revise the Social Fund, and that, as he knows, the Commission is trying to do. The fact that payment appropriations are less than commitment appropriations is not surprising. There is, as I know Mr Patterson knows, a rhythm in this matter: the important decision is on the commitments and when the decision on the commitments has been taken, the payments will follow automatically. If one takes a decision to have a substantial increase in commitments now, there will be a substantial increase in payments to follow, but one cannot make them absolutely at the same time.

As to why we did not take full account of the vote which was taken in this House yesterday, I have to point out to Mr Patterson that this budget was finally decided over a week ago, when I announced it to the Committee on Budgets, and I was not therefore able to take account of a decision taken so recently as yesterday.

Mrs Lizin asked a question about energy taxation. I would refer her to what I said earlier this morning about the future of the Community's own resources. Our proposals in that field are not for 1984. I explained in my earlier statement something of what we were considering and, as I said, we reserve the right to bring forward proposals.

Mr Balfour asked a question about figures. I think he was focusing particularly on energy. The figure for

commitment appropriations is 773m ECU, whereas it was 114m in the budget for 1983 (as distinct from the budget as amended later): for payments it is 386m, compared with 102m. If he needs any further figures, we will certainly try to provide them.

Mr Herman asked me why, when dealing with agricultural indicators, we had not simply taken the increase in surpluses. I think we must have looked at every possible way of doing it, and we found that the way which we suggested turns out to be a great deal more practical than any other way, and that the apparently attractive idea of considering increases in surpluses does give rise to very real difficulties. Let me point out, for instance, that there is not a direct correlation between surplus and cost. You can have products which are not in surplus but which are extremely expensive. Tomatoes are a case in point, and if one looked just at surpluses, one would run into a number of difficulties.

I cannot provide Mr de Courcy Ling so quickly with figures on Lomé but I can confirm to him that we, the Commission, remain committed to the budgetization of Lomé. To Mr Lange, who finished, I can certainly say that, as indeed I said in answer to the earlier debate, it is our intention to seek to develop a range of Community policies to take their place alongside the common agricultural policies and to deal with the various problems which confront the Community in the budgetary field at the moment, through the development of Community policies.

IN THE CHAIR : MR MØLLER

Vice-President

President. — The debate is closed.

5. Estimates of EP 1984

President. — The next item is the report (Doc. 1-298/83) by Mr Pfennig, on behalf of the Committee on Budgets, on the estimates of revenue and expenditure of the European Parliament for the financial year 1984.

Mr Pfennig (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, with the presentation of the report on the draft estimates of revenue and expenditure of the European Parliament drawn up on behalf of the Committee on Budgets we reach the end of Parliament's deliberations on the preliminary draft budget, which are not only extremely complicated but also very time-consuming. In the spring of 1981, when Mrs Veil was President, the Bureau and the Committee on Budgets agreed that the procedure should be as follows: a decision is first taken on the

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establishment plan by the Bureau after hearing the views of the Committee on Budgets; a decision is then taken on the appropriations to be entered in the budget, on the basis of the opinions expressed by the Committee on Budgets, the Bureau and the enlarged Bureau; and finally, the Committee on Budgets presents a preliminary draft to the House. This is the paper you will find annexed to my report and on which we have to vote, because I must remind you once again that it is, of course, the House, not the Bureau or the Committee on Budgets, which has the last word in all these matters, whether they concern the establishment plan or the appropriations.

The procedure this year has also been extremely time-consuming and difficult because we have gone into the subject matter very deeply. I should like to express my sincere thanks to the services of the Secretariat for cooperating so well and making all the documents requested available. In particular, however, I should like to thank my predecessor, Mr Saby, the rapporteur for 1983, for his cooperation. He has now been appointed by the Committee on Budgetary Control to act as rapporteur on Parliament's revenue and expenditure in 1982, which was very helpful when it came to establishing the preliminary draft budget for 1984. Mr Saby's assistance has also enabled us to keep the estimates for 1984 as realistic as possible. An example will be the best way to show how it has been possible to make reductions following a large number of individual checks.

The original estimates amounted to 262m ECU. The figure is now 23m ECU lower: 239.1m ECU. We thus have draft estimates for 1984 which are characterized by considerable thrift and, if we leave aside the appropriations for the 1984 elections, are even lower than the 1983 estimates. In other words, the estimates of Parliament's normal expenditure are half a million ECU lower than the 1983 estimates. This means a 0.2% reduction in Parliament's staff and administrative budget. It is only because of the exceptional expenditure required for the elections in 1984 that the estimate of expenditure of 239.1m ECU in 1984 is 4.9% higher than the total estimated for 1983. Otherwise, it would be 0.2% lower.

I believe that Parliament is thus doing its duty by the European taxpayer at a time of great economic difficulty in all the Member States and proving that savings can be made and are actually being made at European level too. I hope that the rapporteur for 1985, when the special expenditure for the 1984 elections is out of the way, will continue along these lines and manage to bring the total estimates down even lower than mine for 1984.

I now have a few criticisms to make. I have one reservation to add to my statement just now that cooperation between the Committee on Budgets and the Bureau was very good. If it had been as good when we

were considering the establishment plan as it was when it came to the appropriations, it is unlikely that any amendments would have been tabled to my report. You can see from the opinion of the Committee on Budgets on the establishment plan that the differences of opinion between the committee and the Bureau have not been overcome. Consequently, the relevant paragraphs of the motion for a resolution merely recommend that the Bureau's decisions be noted. But I would remind you once again that the House has the last word. Amendments Nos 2 and 3 call for the Bureau's decisions to be so changed that no new posts are created. As rapporteur, I am able to approve these amendments since they reflect the position adopted by the Committee on Budgets.

On staff policy in general, I should simply like to point out once again that various internal and external studies and suggestions have convinced the Bureau that the principles of institutional mobility must apply if we are to avoid automatically creating new posts in future. This mobility must take the form of transfers from services which are overstaffed to others where there is a shortage of staff. This is now all the more important as the Secretariat is being equipped with informatics and office technology, which is bound to lead to savings of staff in certain posts, and they can then be transferred to other posts. The Committee on Budgets feels that the same mobility must apply in the case of promotions, which are often concealed in the budget as upgraded posts or described as converted posts and give rise to considerable costs when projected over a 30-year period. You can see what these costs amount to on pages 23 ff. of my report.

The same mobility in the case of promotions would place the emphasis on the performance principle, since candidates would gain promotion by exchanging posts, which would do away with the somewhat undignified procedure of authorizing the upgrading of individual posts during the budgetary procedure. I remain convinced that, if the administration is properly organized, it will not need any new posts for years and that all promotions can be achieved through the conversion and upgrading of posts in the present establishment plan.

The Committee on Budgets will therefore be reconsidering the establishment plan in the autumn.

I should like to say the following about the budget estimates proper, the appropriations. Our 0.2% reduction compared with the 1983 estimates is, in my opinion, only a partial success, because I should not like to exclude the possibility of a further reduction in one or other budget item. With a few exceptions, zero-based budgeting, that is, the calculation of the necessary budgetary resources for a budget line starting from nothing, is still such in the administration that the foundations for some appropriations are shaky.

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This may also be the case with posts where the Committee on Budgets has already made substantial reductions. As the budgetary procedure continues, we must be willing to make upward or downward adjustments, but we should generally ensure that we do not exceed the figure of 240m. In other words, the rate of increase in the total, including appropriations for the 1984 elections, should remain below 5%.

In paragraph 18 of the motion for a resolution I have also proposed that the Bureau and administration should inform the Committee on Budgets of the latest developments by 15 November at the latest, so that a final, realistic estimate can be made when the budget is adopted in December. Even now I would urge my successor, the rapporteur on the 1985 budget, to make a close study of the structural and organizational shortcomings that still exist in the Secretariat. This is the object of paragraphs 20 and 21 of the motion for a resolution. I would also ask the House to approve my report and amendments Nos 2 and 3 so that we can show the public that we take Parliament's budget as seriously as any other budgetary matter.

(Applause)

Mr Fich (S). — *(DA)* Mr President, I should like to say at the outset that we are making progress with the preparation of the European Parliament estimates. We have a long way to go, progress is slow, but we are making progress. Each year we improve the preparation of the estimates, and this year we note — and this is a very positive development — that the amount for 1984 is even less than that for 1983, if you subtract the funds for the election campaign.

Mr President, when I asked to speak on behalf of my group, it was to explain Amendment No 3 tabled by Mr Notenboom on behalf of the Christian-Democratic Group, Mr Price on behalf of the European Democratic Group and myself on behalf of the Socialist Group. The intention of this motion is to amend the decision of the Bureau on eight new posts for the political groups. The reason for this is that over recent years we have pursued a very tight personnel policy. Overall we have had no new posts allocated to Parliament's general administration, but at the same time the political groups have been given more and more posts. The other reason — and this is very important — is that the political secretariats are already big enough in our opinion. I believe that the view generally shared by my colleagues here is that we have political secretariats of quite adequate size. That is why we have tabled this amendment.

Let me add that the letter of 18 January from the group chairmen, in which this proposal was forwarded to the Bureau, contained a request in respect of these eight new posts for the political groups. We are astonished to find in this letter that four of the eight posts should go to Parliament's smallest group, namely the Group for Technical Coordination and Defence of

Independent Groups and Members. It is particularly striking as this is a group which, time after time, calls for major economies. This group has 11 members but, even before the allocation of these new posts, a secretariat of 12 persons plus of course the 11 personal secretaries, in other words, even before it gets these new posts, it already has a staff of 23 to assist its members. And now it wants four additional posts, so that it will have 27 assistants for 11 members! This is surely not reasonable. Coming from a group which is always on about savings, I call that the height of hypocrisy. I therefore hope that the majority in the House will reject this proposal. No new posts for the political groups.

(Applause)

Mr Protopapadakis (PPE). — *(GR)* Mr President, I would first like to make it clear that I am not speaking on behalf of my political group, but in a personal capacity. A study of the figures in the preliminary draft budget for 1984 reveals, in the section bearing the title 'Personnel', that 30% of the posts envisaged for Greek clerical staff have been taken by nationals of other countries, with the result that Greece's position has been weakened. Even the translation of the documentation into Greek is subject to long delay or is omitted entirely, and the smooth functioning of Parliament relies on superhuman efforts by the depleted Greek staff and on the willingness of Greek Members of the European Parliament to work in languages other than their own. A consequence of this unfair discrimination against a Member State is the exploitation of the work of Greek nationals, whom Parliament uses without appointing them in the normal way to fill the vacancies.

The Socialist President of Parliament and the Greek Vice-President, a member of the same party, should have shown greater sensitivity in this matter. They put forward as an excuse that supposedly they cannot find suitably qualified Greeks. In reality, what they are finding difficulty in locating is staff that is committed to the Socialist party. Because it is quite clear that they are trying to convert the Greek staff of the European Parliament into a Socialist party cadre. European Union can never be fully realized when its own organs discriminate against Member States. When the working people of one particular nationality are exploited or partisan distinctions are made where staff are concerned. I therefore call upon the Presidency to come up with an appropriate solution as soon as possible.

Mr Price (ED). — Mr President, my group has always urged restraint in parliamentary expenditure and we note with some satisfaction the total figures proposed for 1984 as outlined by Mr Pfennig, in particular, that the general administrative expenditure represents a reduction rather than an increase on the estimates for the current year.

Price

This, I think, reflects slow but steady progress in improving the procedures of estimating within Parliament and in the control over our expenditure. That gives us some satisfaction, as does also the fact that we have a widespread acceptance throughout Parliament of the need for restraint. With that in mind, I think that very few changes are required in these estimates. Mr Fich has drawn attention to one of them relating to staff for the political groups in an amendment put down by himself, Mr Notenboom and myself. I urge the House to support it.

There is often exaggeration as to the amount of total parliamentary expenditure, and I think it is worthwhile trying to put it into some simple perspective. On the basis of these estimates the total expenditure on the European Parliament for one year amounts to less than 1 ECU per Community citizen. In other words, it costs less than a single packet of cigarettes to run the entire Parliament for a year. That is so in virtually any Community currency. So, Mr President, I think that one has to see parliamentary expenditure in that perspective. We have got to exercise firm control. I believe that we are moving in the right direction and that these estimates represent some achievement.

President. — The debate is closed.

The vote will be taken at the next voting time.

6. Accounts of EP and discharge 1981

President. — The next item is the report (Doc. 1-273/83) by Mr Konrad Schön, on behalf of the Committee on Budgetary Control, on the accounts of the European Parliament and the discharge in respect of the 1981 financial year.

Mr Konrad Schön (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, I welcome the fact that Mr Pfennig's report on the European Parliament's new budget is now to be followed by a debate on the discharge in respect of the implementation of Parliament's budget. The Committee on Budgetary Control believes that we must apply to our own House the same strict standards as we apply through our budgetary control to the other institutions of the European Community. I therefore have the following to say on the implementation of Parliament's 1981 budget on behalf of the Committee on Budgetary Control.

I must point out straight away that we shall be granting the discharge for the 1981 budget to the President of Parliament pursuant to Rule 115 of our Rules of Procedure. However, we cannot grant the discharge to the accountant required by Article 72 of the Financial Regulation, because the committee still has a few things to do, the delay partly being due to the fact that the different places of work make life very difficult for Parliament's administration. That is some-

thing that should be borne in mind. We must also admit, however, that it has not yet been possible to clarify a number of questions to do with vouchers, and some amounts have consequently not been entered. On the committee's behalf I must also say that we are unable to confirm rumours that were going around a few months ago. We even go so far as to reject them as false. To be precise, we still have to find vouchers for 90 000 ECU and check to see whether this amount was appropriately spent, which we have so far been prevented from doing by technical factors.

I would also point out that the committee has expressed its satisfaction at the arrangements made by the then President, with the assistance of the Committee on Budgetary Control, to ensure that anything unclear in Parliament's administration, and particularly its accounting department, was clarified, and these problems will therefore undoubtedly be solved in the foreseeable future. The Committee on Budgetary Control will then submit a short supplementary report.

We have not, then, made life easy for ourselves in this matter of the discharge to be granted to Parliament in respect of its 1981 budget. A legal aspect discussed was whether separate discharges should be granted to Parliament's President — and thus the House — and the accountant and whether this could be done since we had to begin by assuming the unity of the administration. We then unanimously agreed that we should adopt the principle of divisibility, taking as our reference Articles 68 to 72 in view of the fact that the accountant acts on his own responsibility.

As I have said, the postponement of the granting of a discharge to the accountant has absolutely nothing to do with the disciplinary proceedings which, as the House knows, are now in progress. We are not judges: we simply exercise budgetary control. We should not therefore confuse these two matters. This is also in the interests of the officials concerned. We therefore feel that we should not delay in clarifying the questions still outstanding so that the discharge can finally be granted to the accountant, which is also in Parliament's interests.

The Committee on Budgetary Control also welcomes the detailed discussions with Parliament's Secretariat on the improvement of our administration, many areas of which could undoubtedly be organized more efficiently. This will enable us fully to respect the principle of thrift in our own administration to which the previous speaker referred when commenting on Parliament's 1984 budget.

(Applause)

Mr Price (ED). — Mr President, I do not need to add anything to what Mr Schön has said. I would therefore like to carry over my speaking time to the next topic.

President. — The debate is closed.

The vote will be taken at the next voting time.

7. Discharge for the Commission 1981

President. — The next item is the report (Doc. 1-275/83) by Mr Konrad Schön, on behalf of the Committee on Budgetary Control on

- I. on the discharge to be granted to the Commission in respect of the implementation of the budget of the European Communities for the 1981 financial year and the report of the Court of Auditors (Doc. 1-1098/82 — OJ C 344, 31.12.1982)
- II. on the discharge to be granted to the Commission of the European Communities in respect of the utilization of the appropriations of the fourth European Development Fund in the 1981 financial year
- III. on the discharge to be granted to the Commission of the European Communities in respect of the utilization of the appropriations of the fifth European Development Fund in the 1981 financial year
- IV. and embodying the comments accompanying the decisions granting a discharge in respect of the implementation of the budget of the European Communities for the 1981 financial year (Article 85 of the Financial Regulation of 21 December 1977).

Mr Konrad Schön (PPE), rapporteur. — (DE) Mr President, ladies and gentlemen, the process whereby this Parliament grants the Commission a discharge is a very political one. Parliament alone grants the Community institutions a discharge in respect of the implementation of the budget. I should like to emphasize this publicly once again, because in this matter the Council only makes recommendations, and I must thank the Council for the very detailed recommendations it made this year during the analysis of the report from the Court of Auditors: the Committee on Budgetary Control found them very helpful in its work.

However, I should like to begin with a few general remarks concerning the legal and political significance of the discharge. The granting of the discharge signifies not only the determination of actual expenditure and revenue in a given financial year, with Parliament permitted to make adjustments to individual accounts and even the balance, if necessary, but is also in the nature of an assessment. This report must therefore again be seen this year as following on politically from the report by Mr Key when he was rapporteur and also what were, in my opinion, the pioneering reports of the Committee on Budgetary Control. There is a direct link between budgetary control and the budgetary powers which this Parliament exercises

with the Council. Through its right of control, if it sees it as a political right — and that is how we have seen it in recent years — Parliament is involved in the political implementation of the budget. In other words, the work we do in this area is more than a mere audit. It is this that makes the granting of a discharge, especially to the Commission, the executive of the Treaties in our Community, so very important.

I should like to add a second comment here. The discussions with the Commission on the discharge were very tough at times, but I should like to make it clear that these discussions have obviously resulted in the Commission entering into a fruitful dialogue with us, a dialogue which should be continued. The Commission may rest assured that it has the support of this Parliament, if it accepts the political will of Parliament in its capacity as one part of the budgetary authority, particularly with regard to amendments to the draft budget.

We had three alternatives: we could simply have granted the discharge, as might have been expected, but we did not do so, or we could have refused to grant the discharge. That would, of course, have been a political act, which would have led to the resignation of the Commission. Like last year — although I do not think this should in any way become the rule — we applied a third method by postponing the discharge, as it were, or as our chairman, Dr Aigner, put it, we stopped the clock in the discharge process.

I should now like to say a few words about the bases on which we made our assessment and which, after our discussions with the Commission, resulted in our being able to grant the Commission the discharge, a decision which had the approval of all the members of the committee. I therefore recommend the House to endorse this decision. These criteria or requirements, as we have called them, concern, firstly, the implementation of Parliament's decisions by the Commission. In this respect, we fully agree with the Committee on Budgets. It shares our view that if the Council fails to take action once the budget has been adopted, the Commission should nonetheless implement Parliament's decisions on the basis of the budget as law. The discussions with the Commission revealed, in our opinion, that the discretion Parliament enjoyed in the implementation of the 1981 budget was completely inadequate. But we must also point out that the Commissioner responsible for finances has endorsed our position and, having studied the explanatory statement and the annexes, now shares our view that in future we may determine through our control activities whether this position adopted by the Commission, the consensus that has been found, can be maintained.

The next point that led to the postponement of the discharge was the discussion we had with the Commission on the administration of own resources.

Schön

I should like to make it clear that we have reached agreement on the philosophy or theory underlying own resources. It largely complies with what is said in all the reports — Mr Notenboom's, for example. This view is also shared by the Commission, and I must thank Commissioner Tugendhat for agreeing fully with this theory in his statement on the Arndt report this morning.

We find it inconceivable that the Commission of the European Community of all the institutions should allow anything which would detract from our view of own resources and, in certain circumstances, result in a step back to the attitude that own resources are to all intents and purposes national contributions. A specific task performed by the Committee on Budgetary Control is, of course, helping to detect irregularities and frauds in the Community. In this the Commission has had our full support, and we welcome its assurance that it will find ways and means of stepping up its fight against fraud and irregularities in the interest of the European taxpayer. The Commission has a duty to submit appropriate proposals to us. We have, for example, had several discussions, Mr Aigner, on the possibility of setting up a flying squad to carry out on-the-spot checks at national level. But that was just a term we used to put the Commission on the right lines. We welcome its assurance that it will step up the fight against fraud, especially as the Council expressed considerable concern in this respect in its recommendations.

The Commission must take account of the studies and analyses of the Court of Auditors and of other organizations that have carried out studies for the Commission and not least of Parliament's resolutions on food aid. In this area — and here we agree with the Irmer report — things have happened which, to put it mildly, can be described as scandalous. The Commission must — and it has given an assurance to this effect — do everything in its power to change the way in which food aid is granted.

The penultimate point that may lead to the Commission being granted the discharge is the agreement reached with the Commission on the European Development Fund. In view of the cash problems described in the report of the Court of Auditors for 1981, but also with a view to giving the Community more control over the association policy, Parliament and the Committee on Budgetary Control consider it essential for the sixth European Development Fund to be included in the budget, although it should not be forgotten that the Commission was granted a discharge in respect of the fourth and fifth Development Funds.

As regards research policy, I was able to conclude from a discussion I had with Commissioner Davignon that the Commission has chosen the right course. The Committee on Budgetary Control has voiced a number of criticisms on the approach in 1981. I need

only mention the Supersara project, where resources were transferred at short notice to a project which was terminated not long afterwards. The Commission must come forward with a new and realistic concept, especially as we found that 16.5m ECU was transferred to the Supersara project, later completely abandoned.

For further details on the discharge I would refer you to the annexes to our report. They contain the criteria against which we shall be measuring the Commission's activities in the future. I would welcome the continuation — as I said at the beginning — of this intensive dialogue with the Commission on the implementation of the budget and its political assessment by Parliament. I would even go so far as to say that it must be continued.

I also consider it my duty to thank all the members of the Committee on Budgetary Control without whose valuable contributions this general report would not have been possible.

(Applause)

Mr Delatte (L), *draftsman of the opinion of the Committee on Agriculture.* — (FR) Mr President, study of the EAGGF is of great interest for the purposes of analysis of the development of the common agricultural policy, this in the light of the problems of market organization, guidance of production and marketing of products. However, analysis of the EAGGF component of the 1981 budget prompts much less pessimistic feelings than those expressed this morning when the preliminary draft budget for 1984 was being discussed. In fact, when the vote was taken on the budget estimates for 1981 there was already evidence of concern, with talk of reaching the 1% ceiling on VAT contributions from each of the Member States. However, 1981 was a good year as regards utilization of the EAGGF budget, since the level of utilization was 15% below that anticipated, giving an effective reduction, in absolute figures, of 3% against the budget. I think that this 1981 EAGGF budget probably deserves to be marked by some kind of memorial, as the first to show a fall.

The cost of the EAGGF, 10 980 million ECU, has to be seen in conjunction with the revenues brought in through the common agricultural policy, since the sum of 1 700 million ECU was raised through the various levies charged to producers. The report makes the point that whereas the increase in agricultural prices for 1981 had been 9.4%, the additional amount that we spent in that year — 350 million ECU — was small in relation to the price increase decided upon. By the same token, I do not think that the increase in prices for 1983/84 agreed upon the other day will greatly increase expenditure in comparison with the 1983 budget. In parallel with the savings that we achieved in 1981, we considerably reduced stocks of dairy products, particularly butter, so much so that we

Delatte

almost had a shortage of butter, having seen a decline to the minimum threshold level of butter stocks. The reasons for this are of course well known: the rise in consumer demand, the increase in world prices, and better management, more dynamic management by the Community in seeking outlets.

Under the circumstances, there is reason to regret that similar dynamism was not displayed in 1982. The Commission, in my opinion, was too cautious in its approach to export sales.

My main cause for regret, however, is that we are only now, two years on, examining a report drafted in July 1982. In my opinion, it would be desirable for this information to reach us more promptly, so that as much as possible could be learnt from it. As the rapporteur was saying a moment ago, financial forecasting in the agricultural sector should be improved, although it is extremely difficult to predict harvests or to anticipate monetary fluctuations. I shall be lenient with the Commission, however, bearing in mind that forecasts of agricultural output and agricultural market trends are always very hazardous.

There remains an issue which is often raised in the Committee on Agriculture: this is the problem of the realism of EAGGF costs. Food aid, aid to refugees and the cost of exceptions to Community rules should not be charged to the EAGGF. In this connection, an interesting observation caught the attention of the Committee on Agriculture. In the breakdown for livestock production, which you can find in the table on page 34 of the report, it transpires that the countries which benefit most from the EAGGF on the livestock side are — with the exception of Ireland — those which make the greatest use of proteins and cereal substitutes imported from third countries. This, Mr President, is very relevant to future decision-making on our relations with third countries. In the light of the difficult issues discussed this morning in connection with the future financing of the Community, this very significant fact should be taken into account.

The Schön report draws our attention to the frauds that can occur. Although a number of frauds were uncovered, they were nevertheless relatively minor, involving small sums. This said, redoubled vigilance is called for, and I believe that the Community should be alerted to the need to strengthen the border controls, the need to keep a close watch on payment of levies and — allow me to stress this point once again — the need to do away with monetary compensatory amounts for all time.

A word, Mr President, on the Guidance Section of the EAGGF. The budget of this section is small, accounting for only 5% of expenditure in the overall EAGGF budget. The Guidance Section cannot of course supplant the Guarantee Section, but I would point out that the finance that it provides has a multiplier effect, since it is combined with the various forms of aid provided by each Member State. Action is

needed to improve coordination of structural policy measures. Like the Commission, I should like to see greater coherence in the use of EAGGF (Guidance) resources. Here again, there is some incidence of fraud, which needs to be combated. I for my part hope that this will be done.

These were the comments that I had to make on behalf of the Committee on Agriculture.

Mr van Minnen (S), *draftsman of the opinion of the Committee on Social Affairs and Employment.* — (NL) Some eighteen months after its demise, it is an extraordinarily exciting experience for the members of the Committee on Social Affairs and Employment to see the 1981 Community budget resuscitated if only for an instant. Both Mr Schön's meticulous report and the equally painstaking report of the Court of Auditors provide sufficient occasion to confirm that the drawing up of budget posts, that is to say, the decision to allocate financial resources, is but one side of the coin, the obvious corollary being the actual execution of such budget posts through the allocation of resources. One appreciates that the overriding concern of the Committee on Social Affairs and Employment, in examining the pattern of allocations, has naturally been with the Social Fund. To our considerable dismay we notice that it is here in the Social Fund that the resources earmarked for expenditure — a point I would reiterate — have the highest non-utilization rate. We echo the sentiments of the Committee on Budgetary control in calling attention to the 12% non-utilization of total available resources for the Social Fund and to the considerably worse situation which prevails within some individual articles. To cite but one, Article 510, 'General measures to stimulate employment', only two thirds of the allocated resources were actually used. Even though he appears to be otherwise preoccupied at the moment, unless, that is, I am mistaken in assuming that he does not possess a knowledge of the Dutch language, the Commissioner in charge of finances must bear part of the responsibility for such non-utilizations. I am grateful to his staff for requesting him to lend an ear to my address for, yes indeed Commissioner, we are dealing with social affairs and with the non-utilization of resources earmarked for this sector. The examples of the pilot projects and the poverty projects will suffice to illustrate the state of affairs and, although no more than a drop in the proverbial Community budget ocean, they nevertheless account for some two million ECU which were simply never used up in 1981 — fully half of the available resources. Throughout the world budgets are currently characterized by the extent to which they are in deficit — an all-pervasive malaise in today's world. And yet, turning to that part of the Community budget reserved for aid to the social sector we are confronted with a diametrically opposite state of affairs in which we have surpluses occasioned by the simple non-utilization of the finances earmarked for social policies.

van Minnen

Would those responsible care to resolve such a conundrum? It places the Community in a truly unique budgetary position — albeit one of which we cannot be proud. All the more reason for conveying the thanks of the Committee on Social Affairs and Employment to Mr Schön, rapporteur of the Committee on Budgetary Control's report, for having acceded to a request for the adoption of suggestions made by us and which are now incorporated in paragraphs 10, 11 and 12 of his motion for a resolution. The main thrust of such additions is that of highlighting serious shortcomings in the functioning of the Social Fund.

Just this week, Mr President, this Parliament has pledged itself as guarantor of a refurbished Community Social Fund. Understandably we hope it will achieve the necessary improvements. In the course of this part-session Parliament has also emphasized the necessity of adjusting the financial resources of the Social Fund to take account of its revised structure, which in essence means a considerable increase in the financial resources.

Having to deal with budget figures of two years ago does not detract from the central role played by the discharge procedure, as currently carried out, in the functioning of this Parliament. That procedure has now highlighted the need to proceed to an immediate evaluation of the structural changes within the Social Fund in the light of the breakdown of the existing system, which, for all its inherent shortcomings, could have functioned better. The budgetary control aspect now before the House must be seen in isolation from considerations of a purely financial accounting nature. The Committee on Social Affairs and Employment has unanimously adopted what can best be described as a political value-judgment, a character reference on Community policy in the social sector during 1981. It covers both the implementation at Community level of measures adopted by this House and — the Commissioner will be pleased to see that I am keenly aware of this — at national level by individual Member State government authorities for matters lying within their domain. One aspect of social policy at least has been eminently highlighted, namely the existence of a number of gaps in the transfer of national responsibility to Community organs, as envisaged, and of a series of veritable bottlenecks which seriously undermine the system. There would appear to be little point in Members of this House addressing themselves to national parliaments. We ought rather to take up the matter with you, Commissioner, and apply the lesson that an effective functioning of the system can only be assured by using the various Commission organs to the full. Mr President, the whole discharge procedure can only prove its worth in the final analysis, can only be politically justified, when the financial resources allocated, and not least those in the social sector, are used up, not to the tune

of 85 % nor for that matter, 88 % but for no less than 100 %.

Mr Tugendhat, Vice-President of the Commission. — Mr President, the rapporteur, Mr Schön, has already drawn attention to the extensive work the Committee on Budgetary Control has devoted to the file on the 1981 discharge. On behalf of the Commission, I would like to thank Mr Aigner and the other members of that Committee.

The work leading up to the draft decision now before the House has been positive. The granting of discharge is recommended on the basis of revenue and expenditure accounts presented by the Commission for the entire Community. The significance of this requires, I think, no further comment on my part.

The second significant and positive aspect is that despite different approaches, a wide measure of agreement was reached between the Commission and the Committee on Budgetary Control on a number of important issues. This is referred to in Point 5 of the draft discharge decision. This refers to: 'The positive reaction of the Commission to specific requests submitted to it in connection with the implementation of the budget'.

I would like also, Mr President, to summarize the Commission's reaction to these requests along the lines of the discussion we had in the Committee on Budgetary Control on 22 April 1983. I do so because of their importance in terms of relations between institutions. The first point, paragraph 5a, relates to implementation of appropriations voted by Parliament under its margin of manoeuvre. Under the terms of the joint declaration of 30 June 1982, the Commission is requested to take measures to enable these appropriations to be implemented. In particular, the Commission is asked to inform Parliament of any difficulties that arise. It is also asked to provide for an alternative solution if the Council does not act so that the appropriation can be used for a one-off action, or transferred to other budget headings with a similar purpose.

I note that from the outset the request is based on the joint declaration. Two concrete measures are suggested for implementing appropriations. In particular, in instances where a basic regulation is not adopted in time, the Commission agrees to inform Parliament of difficulties and to put alternative solutions forward in accordance with the joint declaration of 30 June.

The second point, paragraph 5b, relates to the management of own resources. The Commission is asked 'to adopt as a general policy approach, that funds saved during the financial year normally remain in the budget and are carried over to the next financial year as a surplus'. It is also asked to insist on Member States paying interest on late payments in accordance with Article 11 of Regulation No 2891/77. The words

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I have just quoted are a result of the exchange of views which we had in the Committee on Budgetary Control, on 22 April, and to which Mr Schön referred.

I can confirm that they reflect the view of the Commission. We agree that resources called upon for purposes of implementing the budget ought, of course, to be used for the development of Community policies and actions. It is in this spirit that the Commission has proposed an amendment of the Financial Regulation. Both the Committee on Budgets and the Committee on Budgetary Control have reacted favourably to this proposal. The Commission will ask for support from Parliament when the Simonnet report, now in course of preparation, is debated by the full House.

Going still further in the direction of strengthening financial autonomy, the Commission has also proposed in the new draft decision on own resources that any balance remaining at the end of a financial year may in future be kept for the Community. The Commission hopes that this proposal too will receive your full support. It does not, of course, preclude that in some circumstances it might be right to propose an amending budget to reduce the revenue fixed by the ordinary budget.

As regards the question of interest on late payments, there is no problem if the 1980-81 budget dispute is left out of account. The request simply reflects the Commission's normal application of the Financial Regulation. The Irmer resolution on the 1979 discharge, quoted by the rapporteur, confirms this position.

Although the Commission fully shares this view, it believes that a margin of discretion, which has proved its value in the past, should be retained in the interests of the Community as a whole. I would add that the Commission would only exercise that margin of discretion after taking account of the political wishes of Parliament.

The resolution's third point relates to irregularities and frauds. The Commission is asked to give an assurance and I quote: "That further measures would be taken to follow up rapidly and effectively any irregularities or frauds and that it was anticipated that a special mobile unit would be set up to this end along the lines of those operating in other areas of Community activity."

Here, Mr President, it is important to recognize that the other areas of activity cited are those of steel and competition where the powers of the Commission result directly from the relevant treaties. In these areas the Commission exercises a power of direct management. This is not, however, the case in other areas where the powers necessary for direct control can only derive from a Council regulation. The Council, acting on a Commission proposal, has actually made a number of regulations conferring *inter alia* certain powers of direct control, particularly in the area of the

EAGGF, the Social Fund, and the Regional Fund. Regrettably, the Council has not yet adopted two regulations granting such powers over own resources, on which two proposals were forwarded to it, by the Commission — one dating from 1979 and the other from nearly a year ago. The Commission, Mr President, made these proposals because it was aware of the need to reinforce controls at Community level. It is essential that substantial progress now be made at the legislative level of the Council. The Commission, strengthened by the support it has received from Parliament, will, I assure you, continue its efforts to convince the Council to provide the Community with what we regard as legally indispensable instruments. Within the framework of the existing regulations, the Commission carries out various controls. These include controls by the authorizing officer, by the financial controller and, most recently, those of the special control commission.

These are, of course, in addition to those of the Court of Auditors.

The Commission has, furthermore, taken measures over the last few months to reinforce controls. These include setting up specialized services in the directorates-general for agriculture and for the budget, and creating a coordination group between the Commission and the Court of Auditors. We should, nonetheless, be realistic about what can be achieved in the foreseeable future. Community regulations state quite clearly that the primary and overall responsibility for control falls on the Member States in accordance with national legislative, regulatory and administrative provisions. These provisions reflect the fact that it is the Member States and not the Community which already have at their disposal means for investigation and search involving literally thousands of customs and police officers as well as the power of compulsion. To give the name 'flying squad' to Community agents would only be really meaningful if Community controllers had the police powers which usually characterize these flying squads nationally. Currently we do not have those powers, and the granting of such powers to the Community, whether or not it would be desirable, would raise major political and practical problems.

Moreover, no assurance could be given that the net results would be beneficial to the Community unless the Member States were prepared to ensure that their control activities would not be cut back. At the moment, they have an interest in control. They lose money if their systems are weak, but it must be realized that there is a danger that this interest could be weakened in favour of other priorities if the responsibilities were to be shared.

The Commission is of course ready to re-examine jointly with the Court of Auditors possibilities for reinforcing control systems within the existing general legal framework and to report to Parliament and the

Tugendhat

Council. The Commission will also undertake examination of the possibilities for improving the exchange of information between its services and the national services concerned with action against fraud. We shall, moreover, press the Council to adopt our proposals for enhancing control of the Communities' own resources. The Commission is very conscious of the need to step up the fight against frauds and irregularities. It needs adequate resources and legal instruments. The forthcoming parliamentary debates instigated by the Budgetary Control Committee will give the Commission an important opportunity to go further in this area.

The resolution's fourth point, paragraph 5(e), relates to food aid. I can be both clear and brief. The Commission adheres to the principles which it set out in the second Pisani memorandum. It is grateful to Parliament for the support which it has given and confirmed in paragraph 5(e).

The fifth point relates to the budgetization of the European Development Fund, where the Commission is asked to present proposals for budgetization of the sixth EDF before negotiations begin. This is, of course, an internal Community procedure. I for my part can give the assurance that the Commission will present the relevant proposals in sufficient time for the necessary decisions to be taken.

The sixth, and last point, relates to research policy. The Commission is asked to implement a research policy worthy of the name and to estimate the financial implications of the abandonment of the Super-Sara project. The Commission has just produced an outline programme for new research strategy. It was submitted to Parliament and Council. Some important changes in budgetary nomenclature have been proposed in the preliminary draft budget for 1984 in order better to reflect this action programme at the financial and budgetary level. As regards Super-Sara, some 70m ECU were spent before the decision to abandon the project was taken.

That, Mr President, concludes the Commission's comments on the six requirements. The decision granting discharge, especially the part of it relating to the six points on which I have just commented, constitutes the hard core of the file. The motion for a resolution with its 65 paragraphs contains a series of observations accompanying the discharge. I have examined these texts and find that only a small number of criticisms are addressed to the Commission. The views of the Commission on each of these points and, above all, the follow-up which it will give them will be set out in a document to be presented before 30 September. In accordance with the Financial Regulation a final report will then be made in the document accompanying the next revenue and expenditure account.

I will therefore, Mr President, restrict myself to a few comments on certain of the chapter headings. In the

energy sector, the Commission regrets the flagging use of appropriations as much as Parliament. The Commission will do as much as it can to improve the situation by having recourse to the means offered by the joint declaration of 30 June 1982, means which were obviously not available to us in 1981. The criticism as it stands, lumping Council and Commission together, lacks genuine force and the Commission cannot subscribe to it.

Most of the observations relating to the European Social Fund correspond to the objectives pursued in the draft revision of the Fund. In the field of the processing of applications for assistance, the Commission has already adopted a series of speeding-up measures. It seems therefore hardly appropriate for the resolution, to speak of the need for and I quote: 'a change in attitude on the part of the Commission.' Our attitude has already changed and matches Parliament's to a very large extent.

The Commission, Mr President, welcomes the suggestions concerning the European Regional Development Fund. I must nevertheless add that the processing of applications for assistance for programmes which began in 1981 includes an examination of their conformity with the regional development programme and their consistency with other Community policies.

The remarks concerning the milk sector raise no particular problems for the Commission. The question of frauds and irregularities has already been dealt with generally. As for the criticism that there is a lack of efficiency in the use of some of the appropriations deriving from the coresponsibility levy, I am bound to plead the case for a more cautious assessment. The effectiveness of advertising or research programmes is often difficult to ascertain. In addition, these programmes have the approval of the professional bodies concerned.

In the EAGGF Guarantee Section, the motion for a resolution includes a number of criticisms and suggestions which the Commission will examine seriously, but I would now make two points. First, the writing down of stocks, as applied by the Commission, does not contravene the principle of the annuality of the budget. It represents, in fact, an operation of sound financial management. Second the suggestion of suspending or reducing payments of aids in the olive oil sector until the olive oil register has been completed implies delays of some 4 years. If one adds to this delay the usual one attendant upon the granting of aid, the combined effect would be to bring about serious economic and social consequences.

Insofar as the observations on food aid and the European Development Fund concern the Commission, we shall take as full account as possible of the detailed suggestions in the motion for a resolution. So far as cooperation with third countries and borrowing and

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lending operations are concerned, I refer to the Cousté resolution on relations with the EIB recently adopted by Parliament. In this area proper control by the Court of Auditors and Parliament can be carried out without disregarding the Bank's independence concerning the complementary nature of lending operations. I, Mr President, can assure you that, thanks to the close cooperation between the Bank and the Commission, a consistent approach is, in fact, assured.

Finally, Mr President, if one compares the results of the examination of the implementation of the 1981 budget with those of earlier financial years, it will be found that the Commission has taken full account of the lessons to be drawn. Thus the Commission builds on the work of Parliament at the initiative of the Committee on Budgetary Control, on the work of the Council, which this year has drawn up a detailed recommendation, and on the work of the Court of Auditors. The results of our efforts, as analysed and set out in the draft resolution now before the House, are by any yardstick positive and, I believe, Mr President, reflect well on the Community.

IN THE CHAIR : MR JAQUET

Vice-President

8. *Topical and urgent debate (objections)*

President. — Pursuant to the second subparagraph of Rule 45 (2) I have received objections, setting out the reasons in writing, to the list of topics for the topical and urgent debate scheduled for tomorrow morning.

I have received from Mr Davern, on behalf of the Group of the European Progressive Democrats, a request to enter the motion for a resolution by Mr Mouchel and others on agricultural prices (Doc. 1-316/83) as the first item.

Mr de la Malène (DEP). — (FR) Mr President, in view of the decision taken this morning, this request for a change is withdrawn.

President. — Very well. Tomorrow Mr Dalsager will make a statement on agricultural prices which will be followed by a debate. I therefore understand why the objection has been withdrawn.

I think that the same applies to Mr Clinton's request to enter as first item his motion for a resolution (Doc. 1-330/83) on the distortions to trade in the beef and sheepmeat markets.

Mr Clinton (PPE) No, Mr President, this has no connection at all with prices.

(Parliament rejected the request)^{1, 2}

¹ Other objections : see Minutes.

² Decision on urgency : see Minutes.

9. *Question Time*

President. — The next item is the second part of Question Time (Doc. 1-282/83): questions to the Commission.

Mr Hopper (ED). — Mr President, I would like to raise a point of order. About six weeks ago I tabled an oral question with debate and a month ago I was asked by your office if I would agree to this being converted to an oral question for this session and I was told it would appear as the first question or one of the first. I find that it appears as No 73. I should like to ask two questions arising from this, Mr President. The first is, is the order of the questions fixed entirely by your staff and yourself or is there reference to the Commission concerning the order of the questions? Secondly, can my question, in the circumstances, be advanced to No 1?

President. — No, Mr Hopper, since all requests were entered in the order in which they were tabled.

Mr Hopper (ED). — Since I was assured by your office that it would appear first or near the first, should not the date of the tabling of the oral question with debate be the critical date?

President. — All questions are entered in the order in which they are tabled. It is a tradition which must be observed.

Mr Sherlock (ED). — Mr President, on exactly the same point of order. In this House in the month of March, with one of your distinguished colleagues in the Chair, I questioned why a particular question appeared in first place and I was told this was because it had been transferred, as my colleague Mr Hopper's question had been, and that this was the reason why it was No 1 on the order paper.

President. — I repeat that all the questions were entered in the order in which they were tabled. Consequently, I feel that the tradition should be observed.

Mr Hume (S). — On the same point of order, Mr President. I cannot accept what you are saying, because I tabled a question in March and at the request of the Commission I postponed it until this session. It is now No 55. I do not think there is any question on today's order paper that could have been tabled earlier than that.

President. — Mr Hume, we have our Rules and they must be observed. Although I recognize that this can cause difficulties for some of you, we must nonetheless respect the Rules. However, we shall check whether they have been applied in all circumstances.

President

As the author is not present, Question No 37 will be answered in writing¹.

Question No 38, by Mr Deleau (H-830/82), for whom Mr Couste is deputizing :

Has the Commission succeeded, notably through the efforts of the working party on reciprocity set up by Vice-President Davignon, in obtaining the agreement of certain low-price countries to allow fair access to their markets for textile products exported by the EEC which are subject to prohibitive customs duties ?

Mr Davignon, Vice-President of the Commission. — (FR) Since 1980 there has indeed been a committee made up of representatives of the Commission and the textile industry whose role is to identify and deal with problems arising in connection with exports of textiles from the Community to third countries. The fact is that obstacles of various kinds remain in being. We have opened discussions on this subject with various countries, but it is quite clear — as Mr Deleau's question itself demonstrates — that this is a long-term task, since all the obstacles cannot be eliminated at a stroke. At the same time, it has to be appreciated that in certain circumstances there can be contradictions between two aspects of Community policy. For instance, we trade with developing countries whose finances are in an extremely poor state: the first priority is for them to put their house in order, and in such circumstances we cannot ask them to increase their imports.

I can give you an assurance that this work is proceeding along specific lines ; we have succeeded in ensuring that the forthcoming GATT deliberations on the future of the trade negotiations on textiles will take account of exports from the Community as well as imports to the Community.

Mr Pearce (ED). — On a point of order, Mr President. For the good order of our business could you confirm that you received one hour before this session started a written notification that Mr Deleau's question was being taken over by Mr Cousté, in accordance with the rule enunciated yesterday from the Chair by Lady Elles ?

President. — Mr Pearce, Mr Cousté did inform us some time ago, but not in writing. However, I feel we can accept it.

Mr Pearce (ED). — Mr President, it really is ridiculous that four years after direct elections to this Parliament the Bureau and the Presidency and the Secretariat cannot get their act sorted out. It is intolerable that Members should be faced with one set of rules from one occupant of the Chair and another set of rules from another occupant, and that each individual occupant seems to make up rules as he or she goes

along. Would you please take up this matter and make up your minds what the rules are and tell the Members. It is an intolerable situation.

(Applause from the European Democratic Group and the Communist and Allies Group)

President. — The matter will be reexamined. You are right to raise the problem. I think that it would be best if the requests were made in writing. Nonetheless, I think that you will accept that we should make an exception in view of the fact that Mr Cousté informed us a long time ago.

Mr Cousté (DEP). — (FR) Mr President, thank you for your decision.

May I also thank Mr Davignon for the clarity of his reply and ask him a supplementary question ? He has very rightly stated that the working party is operating within a framework determined by the forthcoming GATT negotiations. Does not this mean that, in the final analysis, the Commission and the Community recognize that the European Community market is the most permeable in the world for the textile industry ?

Mr Davignon. — (FR) What the Commission does recognize is that the agreements that it has negotiated under the Multifibre Arrangement are being observed, just as it is vigilant in ensuring that agreements concluded by others are observed. I cannot accept that the idea of 'permeability' implies a difference in the manner in which these various agreements are applied. If on the other hand it means that the Community imports more textiles than Japan and the United States together, that is true, but it is not the result of permeability, but of the decision that we have taken together.

Mr Lomas (S). — The flow of textiles in and out of the Community is, of course, a very important matter for people who work in that industry. I wonder if the Commission is aware that in my own constituency in the East of London there are now over 50 000 people unemployed, many of whom formerly worked in the textile industry. While this huge number of unemployed is partly caused by the policies of the EEC, I must confess that to an even greater extent it is the result of the policies of our own government in Britain which must easily have the worst record for unemployment in this century with four million people now on the dole.

(Cries 'It is not true!')

It is perfectly true, even if the Members opposite don't like it. It is true that there are four million unemployed, and that is the worst record this century.

What I would like to ask the Commission is this. When a Labour Government is elected in Britain, will that government be able to impose import controls to

¹ See Annex II.

Lomas

stem the flow of textiles from other European countries into the UK and call a halt to the decimation of the textile industry in Britain?

Mr Davignon. — (FR) The Honourable Member is, I am sure, familiar with the Treaty and will therefore be aware that my answer must be 'no'.

Mr Welsh (ED). — First of all, why is this committee which is involved in questions of international trade, presided over by the Commissioner for Industry and not the Commissioner for External Affairs?

Secondly, would Mr Davignon reaffirm the Commission's full support for the principles of multilateralism and non-discrimination in the GATT and make it quite clear that the Commission does not accept the false concept of reciprocity?

Finally, would he confirm that in this free Community of ours consumers have a choice, something that would be notably denied to them in the squalid little Socialist republic that Mr Lomas advocates?

Mr Davignon. — (FR) I shall reply to all three of the Honourable Member's supplementary questions without asking whether or not this is procedurally correct.

On the first point: if the Honourable Member had listened carefully to my reply, he would have heard that this is a committee made up of representatives of the Commission and the textile industry. The various relevant departments of the Commission are represented on this committee. It is not a committee presided over by a Commissioner: it is organized at departmental level. It is therefore out of place to look for clashes of competence in replies to questions, particularly when they are given by Commissioners who observe the principle of collective responsibility.

Secondly: when saying that it is necessary to be watchful to ensure that the rules are applied in the same way in all countries which are party to the Multifibre Arrangement, I made absolutely no reference to the concept of reciprocity. In fact, it is important to identify the practical factors, the obstacles put in the way of our competitive textile exports to certain countries. Let me quote an example: in so far as there are going to be tariff negotiations in due course, I trust that we shall have the backing of the Honourable Member when we try to obtain a reduction in the particularly high tariff on textiles in the United States. That has nothing to do with reciprocity.

In answer to the third question, let me say that it is absolutely clear that we have taken the view that it is in the interests of the Community to keep our markets open, for practical reasons and for reasons concerned with our choice of the type of society in which we wish to live.

Mr Howell (ED). — The Commissioner must forgive me, but would he like to comment on the proposals

for a policy of import protection set out in the Labour Party's manifesto? Does he believe that that policy, especially in regard to textiles, a policy whereby the Labour Party, an aspirant government in Great Britain, is proposing to close the United Kingdom markets, particularly to imports from poorer countries is compatible with the Treaty of Rome? Would he like to comment on what is quite clearly a matter of vital urgency for the Commission and Europe as a whole?

Mr Davignon. — (FR) The Honourable Member is far too experienced to think that the Commission is going to comment on the intentions of political authorities which have not been elected and are not in power. I can simply confirm the position of the Commission *vis-à-vis* any Member State or Government: it ensures compliance with the Treaty as written and construed.

Mr Enright (S). — Would the Commission not agree that it is Mrs Thatcher's monetarist policies, rather than the highest endeavours of the Commission, that are going to do in the European Community and in particular the textile industry?

Mr Davignon. — (FR) I think that my reply to the previous question applies in the case of this one and any others in the same vein.

President. — As the author is not present, Question No 39 will be answered in writing¹.

Question No 40 by Mr Prag (H-2/83):

Can the Commission say what progress has been made with regard to the collection of information and statistics on disablement in the European Community, particularly with regard to the extent of disablement, the effects of disablement particularly on employment and income, and the adaptation of job-training for disabled people, which was called for in the Eisma report (1-541/82)?

Have plans been made to include such information in the Commission's medium-term projection of social expenditure and financing, or in any other publication?

Mr Richard, Member of the Commission. — A statistical report has recently been published in the Eurostat series entitled 'The handicapped and their employment'. This brings together — to the limited extent, I have to say, which is possible, given the unsatisfactory state of statistical material collected nationally — such statistics as we have on the incidence of disablement and the rates of employment of the disabled in all the Member States. The report also contains information on the systems, institutions and measures available in the different countries to facilitate and promote the employment of disabled persons.

¹ See Annex II.

Richard

The Commission has now entrusted to the National Centre for Sociology and Law in the French University of Brussels the task of trying to prepare a comprehensive analysis of national measures in this field and their effectiveness, evaluated from both the juridical and the sociological point of view. This report will, we hope, build both on the statistical study already referred to and on a recent study on the impact of new technologies on the employment of people with disabilities. It will be completed before the end of this year. It will then form the basis for the Commission's future thinking and policy in this field.

In response to the last part of the honourable Member's question, in the Commission's medium-term projections on social expenditure and its financing, it is planned to include benefit data for the function invalidity/disability as defined in the statistical methodology serving as the basis for projection.

Mr Prag (ED). — I am grateful to Commissioner Richard for what is at any rate partly an answer. We are not always privileged to have quite so much information in reply to our questions.

I would ask him a further question on one particular point. When the Commission comes to evaluate the results of its pilot projects on the integration of disabled people into society, is it not going to run up against the very great difficulty of definitions and statistics and incomparability? The conclusions it will come to will mean very different things in different parts of the Community unless we can get this whole question of basic data and basic definitions cleared up and unless we can get comparability into the whole picture.

Mr Richard, Member of the Commission. — I think the honourable Member makes a fair point. May I make just two or three comments on it?

The specific question of these statistics is complex and wholly unsatisfactory — I accept that. Decision makers, whether parliamentarians or commissioners, want simple, transparent statistical data, which frankly do not exist and are virtually unobtainable.

There are three basic problems. First, virtually all the data that do exist, or could be obtained without hideous research expenses, are administrative, that is, they do not give information on how many disabled people there are but simply on how many are involved, in one way or another, in various parts of the systems.

Secondly even within one Member State it is impossible to aggregate accurately the different data thrown up by the various administrative measures. If you take the United Kingdom for example, those receiving invalidity allowance, those receiving mobility allowance, those eligible for employment may overlap

because different measures tend to use different definitions. It is impossible to tell whether one person is not actually being counted twice or even more than twice.

Thirdly, between Member States, both the range of the measures — and therefore the patterns of administrative data which are available — and the definitions vary widely.

So it is unsatisfactory, I can see that. One conclusion we have come to is that if we are to rectify the system, it has to be done in a coordinated way and it will be a long, slow job: there is no easy way of doing it.

We are starting, first of all, to establish the principles upon which we can rectify the situation and, secondly to establish a proper basis for data; but I accept the danger the Honourable Member has mentioned, and it will be very much in our minds when we are trying to evaluate the pilot project.

Mr Eisma (NI). — (*NL*) I would like to add my thanks to Commissioner Richard for the information he has provided. I fully appreciate the difficulty in coming up with meaningful and comparable statistics on the disabled in the Member States but, as Mr Prag has already indicated, my report requested that such data be incorporated as quickly as is feasible in the Commission's medium-range estimation of expenditure in the social sector. Consequently I should like to ask the Commissioner which date he considers feasible to incorporate in the Commission's medium-range estimate of Community expenditure in the social sector in compliance with the wishes expressed by Parliament.

Mr Richard. — There is another dilemma here. I can, of course, produce some figures, but unless the statistical basis for those figures is sensible and transparent, the figures themselves will not be worth a great deal.

Within the limits of what I have already said — and these are real difficulties which we are finding problems in overcoming: on the other hand I share the view of Parliament that they ought to be resolved — we shall do the best we can to make accurate projections as far as expenditure is concerned. But, frankly, there is no point in my plucking figures out of the air and giving them to Parliament unless I can justify them, not only to Parliament, but to the Member States and indeed to the Commission itself.

Mrs Clwyd (S). — Can the Commissioner tell us where the two projects for the disabled are in the United Kingdom and what progress he is making on a workable quota system for the disabled directive which can be applied in all ten countries?

Mr Richard. — With great respect to the honourable Member, that is a very long way from the accuracy of

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statistical data. If she would care to put questions down on these issues, I will do my best to answer them.

Mr van Minnen (S). — *(NL)* We are still without an answer to the important question as to when the Commissioner will be in a position to provide such essential supplementary data.

Mr Richard. — I am sorry, I thought I gave an answer which was very specific. I said that we had entrusted the National Centre for Sociology and Law in the French University of Brussels to prepare a comprehensive analysis of this and to evaluate it. That would be completed before the end of this year.

Rectifying the situation is going to take very much longer. We may be in a position to analyse what is wrong with the present situation in a fairly short period of time, but actually to rectify it in terms, first of all, of changing the basis upon which the Member States collect their statistics, secondly, making sure their statistics are collected on a common basis throughout the Community and, thirdly, getting them all fed into the Commission and then redistributed round the Community is going to take very much longer.

President. — Question No 41 by Mr Mouchel (H-20/83):

Following publication of the report by the Committee of Inquiry in Israel and now that peace negotiations between Israel and Lebanon seem to be moving ahead, does the Commission intend, as it should, to normalize economic relations with Israel in respect both of trade relations and of the financial aid which has been frozen since June 1982?

Mr Davignon, Vice-President of the Commission. — *(FR)* Two preliminary points on the historical background. First, it was the European Council of 28 and 29 June 1982 which decided to hold over signature of the second financial protocol and to postpone the meeting of the Council for Cooperation between the Community and Israel, which was to have been held at ministerial level. Secondly, as I have just pointed out, this decision of the European Council does not — I repeat, does not — affect the trade agreements which had been negotiated and concluded in 1975. Now there is a suggestion in the question that the proper commercial functioning of this agreement has been obstructed, but this is not the case. The political situation, as it has developed over recent days, will without any doubt be analysed in the context of political cooperation and we shall then decide to what extent the past decisions of the European Council are still appropriate to relations between the Community and Israel.

Mr Mouchel (DEP). — *(FR)* I thank you, Mr Commissioner, for your reply. I hope that it will be

possible, within a month or in the not too distant future, for us to be given a more precise and more satisfactory reply.

Mr Marshall (ED). — Would the Commissioner not agree that the Lebanese-Israeli concord has confirmed Israel's desire for peace and that the only impediment to peace in the Lebanon is the ambition of Assad and Arafat? Would he not agree that no action has been taken by the Community to penalize Syria for positioning of troops in the Lebanon and would it not be more correct to take action against Syria than to take action against Israel, which has demonstrated a willingness to remove her troops from the Lebanon?

Mr Davignon. — *(FR)* Most of the Honourable Member's question falls within the field of political cooperation and is therefore the province of the President of the Foreign Ministers meeting in Political Cooperation. I, for my part, can only reply to questions directly concerned with relations between the Community and those partners with which it has concluded special agreements, of which Israel is one. At this stage, therefore, I must confine myself, as I did in reply to Mr Mouchel's question, to saying that it is the view of the Commission that the appropriate course is to carry out an assessment of the situation as it now stands following the recent political developments so that the European Council's decision can be examined to see whether it should be allowed to stand or be amended.

Mr Blumenfeld (PPE). — *(DE)* If I have not misunderstood the Commissioner, the Commission will be reconsidering, within the limits of its powers and in the light of recent developments, the situation which last summer led to the freezing of the financial protocols and loan provisions, if I may put it that way. My question to you, Mr Commissioner is this: how is it that Syria, which at the time had similarly been urged to leave the country by the Lebanese Government, received a 40m ECU loan in January of this year?

Mr Davignon. — *(FR)* Mr Blumenfeld's question is in two parts. In the first, he asks me to confirm that it is in fact the Commission's view that any position taken up on a matter of principle must be reviewed regularly to establish whether or not it is still as appropriate to conditions as it was when originally adopted. This is indeed our view and we shall be saying so when taking part in the various forms of consultation within the Community dealing with these matters.

The Honourable Member is aware that the Council has not made any arrangements similar to those adopted for Israel for any other country in the region. I imagine that, if he is not satisfied with the Council's position on this matter, he will not fail to ask the Council for an explanation.

Mr Gontikas (PPE). — *(GR)* Can the Commission tell us for which specific purposes the sum mentioned earlier by our colleague Mr Blumenfeld was given to Syria?

Mr Davignon. — *(FR)* With the documentation at my disposal at this moment, I cannot. It is not easy for me, when the initial question was concerned specifically with relations between the Community and Israel, to call up all the necessary information immediately. However, I shall be delighted to give a reply to the Honourable Member's question personally before the end of the afternoon and, in case other Members have it in mind to put written questions, it will be distributed to all Members. We do our best to keep abreast of all aspects, but I do not think that anyone, even a Member of the Commission, can be expected to have an encyclopaedic knowledge of all subjects.

President. — Question No 42 by Mr Cousté (H-30/83):

Following its extremely vague reply to oral question No H-820/82, can the Commission clarify whether it is usual practice to initiate an anti-dumping proceeding that may put at risk strategic supplies to Europe and the interests of European consumers at the request of a single producer?

It is true that the producer in question — the importance of which should be specified more clearly — was in fact competing with others for these imports and that, contrary to the 'apparent' evidence referred to by the Commission in its initial answer, the members of the advisory committee were, with one exception, against the proceeding?

Mr Davignon, Vice-President of the Commission. — *(FR)* The question is whether or not a procedure is regular when the interest in question, in the Community, is the interest of a single producer. I would reply to Mr Cousté that this producer accounts for two thirds of Community output and in these circumstances, as in all anti-dumping cases, we apply a number of criteria on the basis of which we have to determine whether or not the Community interest is at stake and follow the procedures. These criteria remain valid even if there is only one producer.

Secondly, under the procedure that we follow, namely the formation of an advisory committee to consider all aspects of the situation, we are able to take account of several interests, not just one.

Thirdly, the inquiry that we have carried out has shown that the cost of ferro-chromium in steel production is roughly 2%, less rather than more, so that it has only a very limited impact on prices. Finally, as he knows, the inquiry is in progress. We shall have to examine its conclusions.

Mr Cousté (DEP). — *(FR)* I thank Vice-President Davignon for his reply and would inform him that I was given to understand yesterday that an agreement had been reached between the producers on the one hand and the suppliers, primarily the Turkish supplier, on the other. Does this geographical proximity mean that our supplies are more secure than if we only had South Africa and Zimbabwe as suppliers of this strategic and therefore extremely important material?

Mr Davignon. — *(FR)* It has always been part of the Commission's policy to ensure that we are never dependent on a single supplier. In so far as we are able to maintain competitive productive capacity in the Community, our supplies are that much more secure.

As to whether or not an agreement has been reached, my experience in this post has taught me that bad news travels faster than good, and I could have informed Mr Cousté within a minute if the negotiations had broken down. Since the outcome has been successful, the people concerned find it less necessary to tell us. At this stage, I have not received confirmation of his information, but I shall make enquiries.

President. — Question No 43 by Mr Blumenfeld (H-41/83):

Is the Commission now in a position to give a detailed account of the use to which the 10 m ECU is being put, it not having been possible to give an adequate answer to written questions Nos 652 and 1082 addressed to the Commission¹ — particularly as to whether these funds are actually being used in the cultural sphere for the benefit of the population, in view of the fact that the Treasurer of SWAPO is, at the same time, empowered to decide how the resources of the institute in question are used?

Mr Giolitti, Member of the Commission. — *(IT)* The Commission considers it has given a very explicit answer to written question No 1028/82 presented previously by Mr Blumenfeld, on action to be taken within the framework of Community aid granted to the United Nations Institute for Namibia. The Commission wishes to make it clear that the grants to the Institute under the Second Lomé Convention amount exactly to 1 million ECUs and not 10 million.

As far as the effective use of this aid is concerned, the Commission has already received favourable reports from the non-government organizations responsible for the training courses in Denmark which are attended by Namibian teachers. Furthermore,

¹ OJ C 239, 13. 9. 1982, p. 10 and OJ C 305, 22. 11. 1982, p. 8.

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before the end of the month the Commission should receive a report by the Commonwealth Fund for Technical Cooperation on the implementation of the rudimentary education programme for Namibian refugees in Angola, Botswana and Zambia. The Parliament can, therefore, rest assured that the Commission is keeping a vigilant eye on how this aid is used.

Finally the Commission would remind the house that the United Nations Institute for Namibia is a United Nations organization, and as such subject to the regulations generally applied to this type of organization: the accounts of this institute are, therefore, checked by the United Nations. The Commission cannot therefore support the statement to the effect that one Namibian political party has the Institute's resources at its disposal.

Mr Blumenfeld (PPE). — *(DE)* It will come as no surprise to the Commissioner when I say that this answer is completely inadequate, as inadequate as the answer to the written question put almost a year ago. These were Community resources, tax revenue, in other words, regardless of whether 10m ECU, as stated in the UN document I consulted, or 1m ECU, as you now claim, went to an institute following a recommendation from the UN. My question is whether you really think you can talk your way out of this before this Parliament by saying that you rely on the UN's report of activities. It is your business to check — and it is our business to check you.

(Applause)

Mr Giolitti, Member of the Commission. — *(IT)* As I said in the answer I gave before — which I repeat and confirm — we receive the results and, naturally, we check the results of the monitoring carried out in respect of this specific aid by the Institute for Namibia, which is an approved United Nations body and, as such, is subject to the regulations governing the financial and administrative workings of this organization. It is therefore perfectly normal that, in relationships such as this, where the party concerned is an approved institute of that kind, namely a body belonging to the United Nations organization, we follow the procedure that I have just described.

Mr Habsburg (PPE). — *(DE)* Mr Commissioner, your answer is one of the most unsatisfactory I have ever heard in this House. You are surely aware that the UN's accounts are unreliable. This money was provided by our taxpayers. Would you be prepared to say whether you are really concerned what happens to our taxpayers' money?

(Applause)

Mr Giolitti, Member of the Commission. — *(IT)* I emphasize once again that this is an entirely normal procedure; we are not applying in this case a proce-

cedure that is in any way different from what we apply in all similar cases. Nevertheless, I note the recommendation submitted by Parliament, to the effect that, when carrying out these checks in accordance with the procedure that I have indicated, the Commission should be particularly careful and especially thorough.

Mr Pearce (ED) — Does the Commissioner not feel a little uncomfortable that all the aid the Community gives to Namibia goes to Swapo which is clearly not the sole voice of the people of Namibia, indeed not the voice of even half the people of Namibia? And is it not time that the Community exposed the hypocritical approach of the United Nations in choosing to deal with only one of the many political parties in that country?

Mr Giolitti, Member of the Commission. — *(IT)* I expected some observation such as this because, in effect, the Commission also is aware that, in this matter, Swapo is claiming credit and responsibility — as has, moreover, been reported also in the press — to which it is not entitled, because such responsibility belongs entirely and solely to the Institute of Namibia, which is a United Nations body. I would say, therefore, that we should not attach too much importance to statements that, shall we say, are part of the cut and thrust of politics, but in no way reflect on the way this aid is used.

Mr Gontikas (PPE). — *(GR)* I have a specific question to ask, which is divided into two parts: Can the Commissioner tell us what we are to say to the taxpayers of Europe in the light of the fact that this money is being disbursed from the Community's budget, and is to be administered without accountability by people concerning whom we have good reason to doubt whether they intend to use it for the purpose in question?

The second part is as follows: Why, since there are three representatives of the UNO in the area — whom we, who went to Botswana as representatives of the European Parliament recently met — can they not administer the funds, or even why does the Community not entrust the administration of those funds to its own representative in Botswana?

Mr Giolitti, Member of the Commission. — *(IT)* I will answer the last part of that question, and the answer is, 'Because', as I have already emphasized and explained, and repeat yet again in this statement, 'the Commission is adopting in this case the same procedure that it adopts in all similar cases'. We cannot institute an exceptional procedure; nor have we reason to doubt that the Institute for Namibia which, I repeat, is a United Nations body, is administering this aid in a perfectly regular manner. If there are doubts founded and based on reliable facts — of which we know nothing, but which perhaps Parlia-

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ment has in its possession — regarding the way this aid is administered, the Commission will certainly be grateful for whatever information it is given, and will make it its duty to ascertain, through careful investigation of such occurrences as are reported, what justification there is for any doubts regarding irregularities in aid administration.

Mr Alvanos (COM). — *(GR)* We have seen many things happening in this Parliament, but today we are seeing an unprovoked attack, not against Swapo, but against the supreme organ of the international community, the UNO itself. I would like to ask the Commissioner: Does he not think that the Commission should finally say 'enough is enough' and cease apologising and excusing itself to isolated voices that are trying to bring it into conflict even with the UNO?

Mr Giolitti, Member of the Commission. — *(IT)* I haven't at all allowed myself to be led astray. I believe I have given, in reply to the questions put to me, the explanations that it was the Commission's duty to provide, in answer to questions put to it by Parliament.

President. — Question No 44 by Mr Bonde (H-39/83):

Will the Commission confirm that the regulation placing an embargo on Soviet goods has not been legally valid in Denmark since 1 March; will the Commission also confirm that Denmark has not entered into any obligation to impose national sanctions from 1 March; and will the Commission in conclusion confirm that it is now quite lawful to import into Denmark from the Soviet Union upright pianos and other goods covered by the earlier embargo?

Mr Davignon, Vice-President of the Commission. — *(FR)* There are three questions here, and I shall give three specific replies. First, imports into the Community of certain products originating in the USSR are governed by the Council Regulation of 15 May 1982, which is applicable throughout the Community, except in Greece, until the end of 1983. That is the legal situation.

Secondly, the Danish Government had informed the Commission during the Council meeting of 21 February that it would be applying the measures called for in the regulation in question, but that a national Act would be coming into force on 1 March to take the place of the regulation. The Commission was subsequently informed that the national Bill had not been passed by the Folketing.

We therefore find ourselves in a complex situation, which we are discussing with the Danish authorities.

Finally, and this is the third point, what is the position regarding imports governed by this Regulation?

Imports governed by this regulation remain legal, subject to the limits specified in the Regulation.

Mr Bonde. — *(DA)* I should like to thank the Commissioner for his copious answer and put three supplementary questions. Does it mean that a Member State cannot, under Article 224, exempt itself from the application of a regulation? And secondly, does it mean that Danish law must be waived in favour of the EEC regulation and that it is therefore illegal now to import upright pianos and other goods included in the list attached to the Council regulation? Thirdly and lastly: does the Commission plan to apply the procedure laid down in Article 169 of the Treaty, with a reasoned opinion and legal action?

Mr Davignon. — *(FR)* The honourable Member will have understood from the reply which I have given that the Commission considers that there exists a regulation which remains in force until the end of 1983 and is applicable to all Member States of the Community except Greece. For the present we have a complex situation in Denmark, since this country had informed us that, with effect from 1 March, it intended to apply this Regulation in the framework of national rather than Community legislation, and we are in contact with the Danish Government with a view to clarifying this situation.

On the practical plane — and the honourable Member quotes the example of upright or grand pianos in this connection — I confirm my reply: such imports are legal within the limits specified in the Council regulation of 15 March 1982, which has been extended for the year 1983.

President. — Question No 45 by Mr Calvez (H-66/83):

According to a French weekly, consultations are taking place at European level on the possibility of taxing petroleum products if oil prices fall sharply.

Can the Commission explain in detail how such 'consultations' are taking place and say whether in fact it is planning once again to tax energy in general and petroleum products in particular?

Mr Davignon, Vice-President of the Commission. — *(FR)* I shall reply very clearly to this question in order to remove all ambiguity.

A month or two ago, during a debate on energy problems, I myself told the House that our concern was to ensure that the quantified objectives for reducing our dependence on oil imports should be maintained in the Community, whatever developments there may be in oil prices. I also stated that if the situation got out of hand we would have to consult among ourselves and with the other industrialized countries to decide whether or not a safety net had to be set up, in other words not to compromise a fundamental policy on account of a short-term economic factor.

Davignon

Neither in the past nor in the present has there ever been any question of a tax on crude, particularly now that oil prices have stabilized at a level which does not require a safety net.

Mr Calvez (L). — *(FR)* I thank Mr Davignon for his reply. Naturally, fact has to be distinguished from fiction in what one reads in the press, although this is not always easy, just as certain ambiguities have to be removed.

As you know, Commissioner, as you were saying a moment ago in your reply to my friend Mr Cousté, bad news is one of the facts of life. Now I take the view that it is nevertheless preferable to learn of such news early enough to be in a position to take the steps needed to deal with the situation. Can you tell me where the Commission stands; is it or is it not in favour of taxing energy products?

Mr Davignon. — *(FR)* I am sorry to disappoint Mr Calvez, but it is impossible to give a comprehensive answer to such a general question. In fact, all Member States tax energy products on the basis, not of energy objectives, but of the manner in which revenues are collected in order to finance their budgets. I should like to clarify the Commission's position on two points, and we shall perhaps have the opportunity to return to this subject in the course of a debate on the fresh proposals on energy which the Commission is preparing, the five-year plan for energy announced to Parliament this morning by Mr Thorn.

We are not in favour of taxation of energy products which would militate against the policy of energy conservation and diversification.

Secondly, under the present circumstances there is no call for us to be thinking in terms of taxing oil imports, since the price variations are currently exerting a favourable economic influence, so that there is no need to adopt corrective measures.

That, in brief, is the situation. But I would not go so far as to say that a modest tax on energy products for the purposes of attaining a given objective is totally devoid of interest in the eyes of the Commission.

Mr Galland (L). — *(FR)* Commissioner, I fully appreciate how difficult it is for you to answer rather general questions like this, but does this mean in concrete terms that this Commission's attitude to taxing energy is different from that of the previous Commission, and in particular from that of your predecessor, Mr Brunner, who, as you know very well, was responsible for a draft on energy taxation and Community revenues and the potential impact on prospects for the Community.

Mr Davignon. — *(FR)* My reply is yes.

President. — Question No 46 by Mr Remilly (H-470/82):

Does the Commission consider that the principle of Stabex should be preserved, and if so, what proposals will it be submitting to maintain the credibility of the scheme and to restore the confidence of our ACP partners?

Mr Giolitti, Member of the Commission. — *(IT)* The Commission is conscious of the difficulties encountered in the operation of Stabex, particularly over the last two years. They are, however, difficulties that in no way prejudice the importance that the Commission and the ACP countries attach to this fundamental instrument of the policy of cooperation, and to its basic principles. On the contrary, the Commission considers that, especially in the present crisis, the system — more than ever — has an irreplaceable role to play.

With that in mind, and with a view to the extraordinary Council of ACP-Community Ministers, which it was decided would be devoted to Stabex at the Libreville meeting, the Commission is examining in detail the way the system functions.

The Commission hopes that, as a result of this analysis and the above-mentioned Council session, it will then be possible to have an open, constructive exchange of views with the partners in the Community, so as to reach a satisfactory solution to the problems that we have encountered.

Mr Pearce (ED). — I would like to ask the Commissioner whether the work which is going on to reinforce the principle of Stabex — those were Mr Remilly's words — includes enforcing in future the principle that Stabex funds should go to producers of primary products in the Lomé Convention countries who have been directly affected by the fall in prices; and, consequently, whether the Commission will in future prevent this money simply being used for balance of payments support and going straight into the national treasury, with the result that the producers who have suffered from the fall in prices get nothing out of it?

Mr Giolitti. — *(IT)* I can give a reassuring answer to this supplementary question. Undoubtedly, within the framework of the analysis that we are carrying out — and on which, at the proper time, we shall certainly report to Parliament — the problem of the prices of primary products is specially important.

In view of the delicacy of this instrument, we will pay particular attention to ensure that aid from Stabex is in effect used to the benefit of the producers for whom it is intended, and not diverted to become a financial transfer pure and simple into the coffers of the State.

President. — As the author is not present, Question No 47 will be answered in writing¹.

Question No 48 by Mr Rogalla (H-589/82):

Does the Commission think that a European currency would contribute to strengthening the Community's economic power; when will it make appropriate proposals for moving forward in that direction, and by what stages would this occur?

Mr Ortoli, Vice-President of the Commission. — (FR) Mr Rogalla asks whether a European currency would have helped to strengthen the economic potential of the Community. Yes, surely, but we have yet to reach the stage when we could have a single currency. We shall be able to have a single currency when we have brought our economies sufficiently into line with one another and carried through a sufficient transfer of competence for the purposes of conducting monetary policy. I do not believe that we have reached that stage yet. I should also like to say that it seems to me that our efforts to date, in creating the ECU, represent a step in the direction that Mr Rogalla wants us to take. Of course, the ECU is not 'the' single European currency, but it is beginning to become a European currency, and the Commission is convinced that it is in the common interest at this stage to be seeking ways of strengthening and promoting it. We said this in March 1982, in a document in which we proposed a second stage in the development of the European Monetary System. We have now said as much again, in two communications presented to the Council, one on financial integration of the Community (the basic idea being that we need a large Community market to encourage the investment of savings and foster economic development, and that the ECU can be used as an instrument for advancing the development of this market), and the other concerned more specifically with promotion of the ECU. We have asked for the ECU to be given 'currency status', on the premiss that we have decided together to make it the symbol of European monetary identity and that it is desirable to this end that it should enjoy a status at least comparable with that of external currencies in each of our States, and that it is unreasonable that it should be under-rated, so to speak, in relation to external currencies.

Secondly, it was necessary to set up a mechanism to facilitate use of the ECU in the Community, whether privately — for commercial transactions — or on a broader plane, on the financial markets. These proposals are now on the Council's table, and they have also been submitted to Parliament for its opinion, so that I take it that we shall have an opportunity to discuss them.

¹ See Annex II.

Mr Rogalla (S). — (DE) I should like to thank Vice-President Ortoli very much for this information and also the Commission for recently submitting proposals for the introduction of the European currency unit, the ECU, on the foreign currency markets. I am aware of the difficulties in this connection, because, of course, money and valuation are involved. However, in view of the differences of opinion among economists and financiers on the requirements to be met before we have monetary union and having heard the Vice-President refer to the need to have a common economic policy first, I should like to ask the Commission if it does not feel there should be some kind of act in preparation for monetary union. I would think, for example, that an attempt could be made to find denominations in all the currencies that correspond closest to each other in value and to introduce a single banknote, as an experiment to begin with, as a precursor of monetary union, thus giving the lie to claims that a wide measure of stability must be achieved before we can think of monetary union. In short then, is it possible to have a preliminary stage in this monetary union?

Mr Ortoli. — (FR) I believe that what we have proposed constitutes the preliminary stage, in which the ECU can come to be regarded in each of our countries as an accepted monetary unit usable by all citizens. This is what Mr Rogalla is saying. I consider this preliminary stage to be essential, both for external purposes — this is what is meant by currency status — and for internal purposes, by which I mean the possibility of drawing up contracts in ECUs and of conducting commercial transactions in ECUs. This means that the ECU must have a meaning, that there is need for protection of the name, and that we must be sure that what we are doing is in keeping with everything associated with a real currency.

I feel that we have therefore covered some of the ground indicated by Mr Rogalla, since part of the central banks' reserves would be converted into ECUs. The ECU is already in circulation, but as a currency used between our central banks.

We have to progress beyond this stage. We have already done so to some extent in the sphere of borrowing and lending, since, as was mentioned in this Chamber not very long ago, the ECU is gradually becoming one of the currencies used in loan transactions on the international capital markets, one of the leading ones, the foremost European currency in a manner of speaking — on an equal footing with the mark. I believe that it would be to our advantage to develop other uses for the ECU, and this is the direction that the Commission will be taking. Can we go further with the symbol and have ECU paper, ECU bank notes? I do not think that we can do this yet, given the problem of almost daily variations. However, there is one idea which I personally think is not a bad

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idea, although it has not been adopted by the Council of Ministers, and that is the introduction of a one ECU coin to show European citizens that a European currency is in the process of being created.

Sir Brandon Rhys Williams (ED). — Does the Commission not recognize that under the Treaty of Rome Member States are required to remove the restrictions on movements of capital? Would it not help to stabilize the currency system if we did work towards a genuinely united European market for capital? But, as far as the true common market on current account is concerned, should not the Commission be working towards a system for the currencies under which they would be maintained at their true purchasing power parity, not at an artificial fixed numerical rate of exchange in which nobody has any long-term confidence?

Mr Ortoli. — (*FR*) There are many things to be done in this field, and they are not merely a matter of legal obligations.

I believe that we now have to pursue a new logic, and in this respect I agree with Mr Rhys Williams on the economic plane. We are seeking to create a vast European market which is more than a large market for products. The continental dimension offers benefits not only for goods, but also for services and for financial integration.

I believe that we need to go beyond the idea that you have put forward and appreciate that the task before us is the gradual creation of the European market of financing and invested savings, the European financial market, and this means interconnection of the stock exchanges and the possibility for European securities to be widely quoted, it also means the opportunity for companies to issue loan stock on a larger market than their respective domestic markets, and it means a whole series of actions which we have tried to enumerate in our communication on financial integration, some aspects of which will no doubt be hotly disputed, given the strength of resistance, but these actions correspond to the fundamental belief that only real financial integration in the full sense — not merely in the legal sense — will enable us to make the most of the full range of our financial capabilities, and that is a necessity.

I should also like to say that it is remarkable to find that the savings market in Europe is now bigger than that in the United States. The two are broadly comparable in economic terms, but we find that, whereas savings amount to 330 to 350 millions in the United States, the corresponding figure for Europe is 420 to 430 millions. However, the amount mobilized on this market in Europe to finance shareholders' equity in companies is probably only two thirds of the amount in the United States. The total value of shares quoted

on the European stock exchanges is 40% of that of shares quoted on the American stock exchange. These are the problems that we must gradually deal with if we are to have the capacity to sustain the economic effort that we are currently undertaking. This is not a matter of finance, but a matter of economics; it is not a matter of financial profit, but a matter of industrial development. It is along these lines, I believe, that we should be viewing the situation.

President. — As the author is not present, Question No 49 will be answered in writing¹.

Question No 50 by Mr Wedekind (H-778/82)²:

Is the Commission aware that the *Journal Officiel de la République française* of 21 October 1982 published a circular of 20 October 1982 signed by the Prime Minister extending compulsory use of French in all transactions to all foreign goods, contracts, accounts, packing lists, certificates of origin, markings, directions for use, technical documentation, etc. and does the Commission view this measure as a means of simplifying trade in goods within the Community? Would the Commission consider it proper if the other Member States also insisted on the use of their own language in all documents in each case, e.g. if German imports from France were accepted with German documents only, and would the Commission wish to see this extended in world trade to Chinese, Japanese, Arabic or any other of the major languages?

Mr Narjes, Member of the Commission. — (*DE*) On 30 October the French authorities published a circular amending a 1977 decree relating to a 1975 Act on the use of the French language. Before this decree was amended, it had not been imperative for French to be used in business transactions between foreign exporters and French importers. It is now required without exception for all business contracts, quotations and imports. In this situation, the Commission immediately initiated proceedings against the French authorities under Article 169 for infringement of Article 30 of the EEC Treaty. The many discussions the Commission has had with the French administration in connection with these proceedings have enabled a solution to be found which is compatible with the general principles laid down in the Treaty with respect to the free movement of goods. This was followed by the publication of an administrative regulation in the *Bulletin Officiel des Douanes* of 13 April 1983. This administrative regulation makes a distinction between two aspects of the checks to be made by the customs authorities.

¹ See Annex II.

² Former oral question with debate (0-157/82), converted into a question for Question Time.

Narjes

A check is made, on the one hand, of the documents attached to the declarations relating to the release of goods for free circulation for tax purposes and, on the other, of the documents and information relating to the goods themselves. As regards checks of the documents submitted with the customs declarations, the administrative regulation now adds the following details: firstly, customs declarations must be made out in French, as has been the practice in the past; secondly, the accompanying documents required for customs clearance — invoices, shipping documents, trade certificates, transport documents and possibly even commercial correspondence may be compiled in other languages. To enable them to understand the contents of documents, however, the customs authorities are entitled to require a translation, as they have been in the past. But they are satisfied with a free translation. An officially certified translation is required only where disputes arise.

As regards checks on information relating to the goods themselves, which is not required for customs clearance, in other words, information on packaging, labelling and instructions for use, the ruling is now as follows: the 1975 Act on the use of the French language applies to all products introduced into circulation in France. In the case of goods imported from other Member States, however, compliance with this requirements is checked at the time not of customs clearance but of the introduction of the goods into circulation. The Commission considers this solution acceptable provided that it serves the purpose for which it is intended. It at least meets the requirements of Community law to the extent that it has been possible in the past to have Community law confirmed by the European Court of Justice.

Mr Wedekind (PPE). — (*DE*) Does the Commission believe it would be a good thing if the somewhat relaxed provisions now applied by the French were applied with the same provisos in all the Member States of the Community, and does the Commission think that that would facilitate trade? Does the Commission feel that the system the French have now introduced, which is only just compatible with the Treaty, should be introduced for all the world's languages, for Hottentot, for example — I do not know how all those clicks would be translated — so that we treat all languages alike and thereby facilitate world trade?

Mr Narjes. — (*DE*) I believe that, if a few distinctions are made in the generalization — as is usual in France — we should wait until May is over, that is, until after the publication of the amending decree we have agreed in the negotiations with Paris. I am not aware that any cases have been dealt with since 13 April other than in accordance with the decree, but if the honourable Member has any information on such cases, I would be grateful if he would forward it to me.

As regards the generalization, I should like to point out that — as I have just said — the accompanying

papers are not checked at the frontier. Some of the requirements relating to language in accompanying documents stem from other provisions of national and also Community law. For example, instructions for use in the language of the consuming country must accompany pharmaceutical products for safety reasons. There has been no change in this respect. What we have again changed is that the frontier itself is used as the check-point, meaning that customs or VAT clearance will now be joined by language clearance in the interests of consumer protection. This is not the case at present. That is what we have agreed, and I would regard this agreement as being in the interests of consumers in all the other Member States.

This leaves commercial correspondence and such like. Documents of this kind may be in any language, but the legislation of all the Member States permits translations to be required in disputes and doubtful cases. If, for example, evasion or fraud or something like that is suspected, the authorities of the importing country must be allowed to have documents translated into their own language. That has always been the case and also accords with international usage. Excessive use of this opportunity to require a translation where there was a suspicion of evasion or other irregularities, would, however, constitute an infringement of the requirement that a sense of proportion must be maintained, and the Commission would have to take action under Article 30. If it failed to do so, the exporter or importer who suffered as a result of such abuse could take appropriate steps.

The invoice itself must always be made out in the language of the recipient country for general reasons, unless a different practice has gained currency in the case of less common languages. This certainly cannot be said of France.

Mr Marshall (ED). — Would the Commission not agree that this is yet another example of chauvinist protectionism and that it underlines the need for the Commission to wage a war on non-tariff barriers to trade, and can we have an assurance that at some stage the Commission is going to show some energy in waging that war?

Mr Narjes. — (*DE*) I have two answers to give to this question. It is true that language requirements that are objectively unjustified constitute a non-tariff trade barrier and thus have a protectionist effect. In this respect, the Commission has been completely successful with the action I have described.

As regards the insinuation that the Commission lacks the energy needed to wage a war on non-tariff barriers to trade, I can only say in all friendliness that is not so. I do not believe that anyone is as energetic as we are in our attempts to eliminate such barriers. If you have complaints to make or know of cases of which we are unaware, I would appreciate some information.

President. — Question No 51 by Mr Galland (H-754/82):

After the decision by Ankara to impose a 15 % tax on imports of 45 Community products, following the limits imposed by the EEC on Turkish textile exports, can the Commission say whether the agreement with Turkish cotton thread exporters on a ceiling on exports to the EEC which was in prospect has finally been accepted by the Ten?

Mr Davignon, Vice-President of the Commission. — (FR) There is a complex situation between the EEC and Turkey as regards textiles. It had been planned that we have discussions in August 1982 ranging beyond the problem of cotton thread exports, since that arrangement was due to expire at the end of December 1982. Difficulties are not only being anticipated for the future but already being experienced now in 1983, and we are trying to clarify the situation in the negotiations.

The assurance that I can give the honourable Member is that, despite the difficult situation, the Commission is applying the agreement, even though it has not yet been formally brought into effect for 1983.

In other fields, in which cotton thread is not concerned, we have had to introduce a number of procedures which are eligible for the safeguard clause, as he is aware.

Mr Galland (L). — (FR) Commissioner, this situation is nevertheless difficult, since it has led Turkey to take retaliatory measures in the form of a tax on imports of a number of Community products. The position of the Community may be perfectly justified, but it is not desirable for such situations to arise.

In the Commission's opinion, did this situation arise because of a failure to take steps at an earlier stage, since, as you have said, negotiations began in July, whereas the agreement was due to expire in December? Is it therefore desirable to bring negotiations forward, or what else can be done to avoid such difficulties?

Mr Davignon. — (FR) I can assure Mr Galland that we have been conducting continuing discussions with the Turks on this matter. The situation is extremely complicated because Turkey, unlike the Community, has to deal with the objective problem of having a large number of producers. We are interested in concluding an arrangement only in so far as we are given every assurance that it will be applied, whereas Turkey is willing to endorse an arrangement on condition that responsibility for applying it lies with the local producers. There is therefore a real technical difficulty and I admit that we have not been successful in finding a better procedure.

In this connection, I should like to make it clear to Mr Galland that we are not prepared to allow

measures which we consider illegitimate to be maintained against Community exports.

President. — Question No 52 by Mr Kazazis (H-765/82):

On 18 November 1982, in Document COM(82) 658 final, the Commission proposed specific actions in the context of the European Regional Development Fund, non-quota section. These actions include a specific action in the textile industry sector. At the part-session in September 1982 (14 September 1982), during Question Time, Mr Giolitti assured me that action in the textile industry sector would be extended to cover the Greek regions as soon as the Commission had collected the necessary statistical data.

Why has the Commission not yet presented proposals to extend specific action in the textile industry sector to cover Greece; and when does it intend to present them?

Mr Giolitti, Member of the Commission. — (IT) The Commission has not yet received the statistical information concerning the parts of Greece that have been affected by the textiles crisis: that is to say, it has not received the information needed in order to make an assessment of the number of jobs lost in these sectors, which is the prerequisite for any intervention by the Regional Fund of the kind referred to, in relation to unemployment caused by the textiles crisis.

Consequently, for the time being the Commission is not in a position to prepare proposals for using the non-quota section of the Regional Fund that is provided for this purpose, and was referred to by the honourable Member. We are awaiting this information, and have arranged everything — and provision has even been made in our non-quota proposals — to enable Greece also to benefit from the aid available under this specific action in respect of the textile areas.

Mr Kazazis (PPE). — (GR) I thank the Commissioner for his answer. It is almost the same answer that I received eight months ago, to a similar question. I would like to comment that it is a very well known fact that figures concerning the economic activity in our country are published regularly, which prove that the sector in question is characterized by a stagnation of investment, a fall in manufacturing production, and a spread of unemployment.

I would like to ask the Commissioner where the responsibility lies for this inexcusable delay, neglect or unwillingness to collect facts in support of the commencement of special action by the Commission in the textiles sector for the Greek regions as well. Is it the Commission, or the responsible Greek authorities who are at fault?

Mr Giolitti. — *(IT)* In reply, I should like to make it clear that the Commission is not marking time — quite the opposite, it is impatient to be able to proceed: but, since it is a question of specific data that must concern certain specific areas of Greece, we can only base ourselves on information that must be supplied to us by the Greek government. In the absence of such information we cannot proceed. I repeat, we are impatient to do so, and we have even announced in advance, in our non-quota proposals, that we also envisage the extension of those actions to include Greece. As far as the Commission is concerned, everything is ready. We are only awaiting this information, which is absolutely necessary to enable us to proceed.

Miss Quin (S). — The non-quota section of the Fund also deals with aid to shipbuilding as well as to textile areas and I would like to ask the Commission if it will come up with immediate proposals to give additional aid to the very inadequate amount allocated to shipbuilding areas, because since the allocation was agreed, the crisis in the shipbuilding industry has deepened very greatly and certain areas of the Community, including North East England, are facing economic disaster as a consequence.

Mr Giolitti. — *(IT)* Although this is not a question relating to the subject of the question put to the Commission, which concerns the Greek textiles crisis and not the crisis in the shipyards of other countries, I have no difficulty in replying that, where the crisis in the shipbuilding industry is concerned also, we have made provision for intervention by the Regional Fund. For the time being we have no plans to add other proposals to those that are already before us.

Mr Gontikas (PPE) — *(GR)* Can the Commissioner tell us when, specifically, these figures were requested from the Greek government?

Mr Giolitti. — *(IT)* The Commission's proposal for the second series of actions that are to be financed with the non-quota section of the Regional Fund is dated 18 November 1982. As far as the action intended for the areas affected by the textiles crisis is concerned, we have declared — and I quote from the text of the proposal — that 'the Commission is ready to examine extending the textiles action to include Greece, on the basis of information to be supplied by the Greek government, regarding the situation in the textile areas in that country'. The official written request which was designed to secure that information therefore goes back to 18 November 1982.

Mr Pearce (ED). — Will the Commissioner undertake, when his proposals are eventually published, to communicate to Parliament a clear and specific statement of what the money is being spent on? Will he

inform us of the nature of each project to be financed, of the companies or public bodies which will receive the money concerned, of the precise locations of the projects and of the amount of money allocated to each individual project?

Mr Giolitti. — *(IT)* Parliament is already in possession of all the necessary information, since the Commission's proposals were communicated both to the Council and to Parliament. Indeed, the Committee on Regional Policy of this Parliament has already examined those proposals; I have already provided it with further information. Contact between Parliament and Commission on this subject has therefore already been established in accordance with normal procedure. The Commission has been absolutely prompt in providing Parliament with the information it should have provided on this subject.

President. — Question Time is concluded¹.

10. Discharge for the Commission 1981 (continuation)

President. — The next item is the continuation of the debate on the report (Doc. 1-275/83) by Mr Konrad Schön.

Mr Imer (L), draftsman of the opinion of the Committee on Development and Cooperation. — *(DE)* Mr President, ladies and gentlemen, I am speaking on behalf of the Committee on Development and Cooperation, which has made various comments on the discharge to be granted to the Commission for implementing the budget, and I shall concentrate on the main issues. First, there is the question of the inclusion of Development Fund in the general budget of the European Communities. For many years now we have had the problem of the European Parliament being required to grant a discharge in respect of the management of the European Development Fund without itself having any real say in the establishment of these budgets, in the formulation of the policy of the European Development Fund. We have always said that this must be changed, because we cannot assume responsibility for granting the administration a discharge if we have no say in the formulation of this policy.

Parliament has been calling for the inclusion of the Development Fund in the general budget for many years. The Commission has always shown itself willing to support us in this respect. It has also given us credible assurances, and Mr Tugendhat again agreed this morning to support Parliament's demands. But so far words have not been followed by deeds, and all I can say again today is that I hear the words, but I still find it hard to believe that they are backed by

¹ See Annex II.

Irmer

the political will in the Commission to break down the Council's opposition. For that is where the problem lies.

I am deeply disappointed that the representative of the German Presidency — and I say this deliberately as a German Member — the Parliamentary State Secretary in the Development Ministry, Mr Köhler, should have said a few weeks ago that Parliament's idea was absurd and the future Development Fund could not be included in the general budget.

What we are discussing here, of course, is the discharge to be granted to the Commission, and I at least propose that we do so. But if it was a question of granting a discharge to the Council, I would propose to you all that we should not do so. We should consider whether next year we should not simply place the political accent differently and, while recognizing that the Commission has done its duty within the limits imposed on it, stop beating about the bush and name those responsible for holding up the process of integration. And they happen to form the Council of Ministers. Even though Parliament has not explicitly been given the power to do so, we should simply find the political courage to say who is the guilty party, point to the Council and say quite clearly: they are the ones who have to account to the public for the fact that the European Community is stagnating.

The second issue I should like to mention in this context is the food aid question. The reports of the European Court of Auditors and the subsequent report by the Committee on Budgetary Control on this subject have revealed that food aid does not work, that it is in fact a disaster because the decision-making processes in the Council are too slow and the Commission cannot do its duty in this area because the Council keeps stabbing it in the back to protect national interests. The last spectacular example was the adoption of the basic food aid regulation before the basic procedure in which Parliament is involved had been completed. That was a slap in Parliament's face from the Council. We have already said in the Committee on Development and Cooperation that we shall not put up with this. We shall refuse even to deliver an opinion on the subsequent regulations proposed by the Commission, because we consider the basic regulation invalid and we are not prepared to play this game. We call on the Commission to submit a new proposal for a basic regulation, so that a fresh conciliation procedure may then be set in motion.

I assume that Mr Tugendhat will be told afterwards by his staff what I have just said. It was a direct appeal to him — if he does not listen, that is his business. I should not like to see this as a lack of interest in our proposals on the Commission's part. I would therefore be grateful if one of the Commission's officials could tell him what I have had to say here.

These are the two main issues as the Commission on Development and Cooperation sees it. We recom-

mend that the Commission be granted a discharge in respect of the budget here under discussion, but we also request that the conditions we have laid down be met as we have been assured they will be. I repeat: for Parliament it is out of the question that the next Development Fund should not be included in the general budget, and we also expect the Commission to put forward a new proposal for a basic food aid regulation. Once again, we utterly condemn the Council's conduct during the life of this Parliament, which has amounted to complete disregard for what Parliament wants.

Mr Key (S). — Mr President, on behalf of the Socialist Group I have pleasure in recommending Mr Schön's report to Parliament. The report of the Court of Auditors once again highlighted many problems which still exist within the Community budget. I think it is only fair to report that a number of improvements have been made and a number are, I hope, going to be implemented in the new financial regulations as Mr Tugendhat, stated today.

We understand Mr Tugendhat's concern and good will towards us in trying to get changes made and we do recognize that all the problems do not exist just in the Commission, as I learned from my experience on last year's discharge.

However, I would like to say one or two specific things. In Chapter I the Commission has, in fact, reduced the amount carried over to the next year in payments. But I tend to agree with the Court of Auditors that this was due to accelerated payments and did not, in fact, reflect quicker progress in the projects. I sincerely hope we can get improvement on that next year and in succeeding years.

Many cases of fraud and irregularities still need investigation and both the Commission and, may I say, specifically the Member States, must act with more urgency and in greater depth if the integrity of this Community is to be maintained.

In relation to the EIB, the absence of specific and detailed budgetary authorizations leaves responsibility for identifying the needs for finance, to which the Community should contribute, to the Commission and its agent, the EIB. This means there exists little chance of real control. Variations in loans makes real assessment almost impracticable. I only hope that the budgetary authority will react upon this in the coming months in accordance with the Court's special report on borrowing and lending.

On the Regional, Social, Energy and Development Funds, I can only endorse what has been stated in writing by the rapporteurs and by the comments of my colleagues in the Chamber today. My plea is that the committees of this House also take more detailed responsibility for looking after that. It is no use just coming to the House and asking for more money.

Key

They should be spending a lot more time monitoring the use of the money that is already available to them and learning lessons from that.

May I make just one specific point on my own report on milk and milk products. I really do hope that the Commission will act more prudently. Unless corrective action is taken quickly, this year could see the whole Community threatened with a major crisis because of these products. The solution is not to dump milk products on the world market in competition with North America or other people, for they will only cost our taxpayers and the taxpayers of other countries vast sums of money and will only further undermine confidence in this Community and its institutions.

Turning away from the Commission and towards our own accounts in the European Parliament, I feel that we cannot grant total discharge just yet to Parliament. A number of matters must be settled before this can happen. This is not to question the honesty and integrity of the staff or Members of this House, but there is no way we can dismiss the outstanding matters which exist.

Mr President, I thank you for allowing me those few moments. I wanted to put on record that final statement on the European Parliament accounts on behalf of my group and also on behalf of the Committee on Budgetary Control.

Mr Kellett-Bowman (ED). — Mr President, this report represents the main work of the Committee on Budgetary Control over the whole year and is probably the most corporate report which comes before Parliament, because the input is by members of the committee who take responsibility for different parts of the Community budget and also by rapporteurs or draftsmen of opinions from the spending committees.

There has been a suggestion from the Council that the European Court of Auditors, on whom we rely for our basic documents and who carry out the enquiries which make our work possible, should limit the number of special reports they produce. The Committee on Budgetary Control would not be happy with that. We find these special reports of the utmost use, because they enable the spotlight of enquiry to penetrate deeper and deeper into the department being investigated.

The committee, Mr President, would probably do a better job if we kept to the timetable laid down in the Financial Regulation. If we fall behind one year, it makes it more difficult to keep to the timetable the next year. Since Parliament insists on other bodies in the Community keeping to a timetable, I think we should do so as well. Furthermore, I think that the committee can probably improve its work if we further subdivide the agricultural spending amongst members of the committee. After all it is over 60 % of Community spending at the present time. The

group responsible for this has been good enough to divide it by three, but I think even further subdivision might help us to get even deeper into the subject.

Now this report, as well as the motion for a resolution which goes with it, is quasi-legislative in its effect. This, I think, would be better used by us if only the Financial Regulation provided for a swifter timetable for responses particularly from the Commission. The Commission, in fact, does help by very often replying before the closing date, but we can't easily follow up our recommendations if we don't get early responses from the Commission. It makes it more difficult for Parliament to recommend action.

What happens, Mr President, if the Commission doesn't conform to Parliament's requests? We tend to use Chapter 100. We put the money on ice and await a special report from either the Committee on Budgets or the Committee on Budgetary Control. This has proved a very useful tool. We use it on subsequent budgets where we are unhappy about a situation. In the case of the European Schools it enabled Parliament to have its wishes respected. In the case of European Quangos about which Mrs Boserup is producing a report, the implementation of Chapter 100 is, I know, causing the Commission some embarrassment, but that is what I think it is meant to do. I think that their leaning on lobbies with a loud voice is not being very helpful and might even be counter-productive.

May I refer, Mr President, to paragraphs 29 and 30 of the remarks on Decision No 3. It refers to olive oil. Vice-President Tugendhat said in Parliament this morning it would take four years to sort out that problem, which would make it very difficult if we were to withhold funds going for olive oil production and consumption. We are looking into that. In fact, it probably would be best if we left Nos. 29 and 30 out of the report, because the Court of Auditors is investigating the problem and Mr Battersby is to produce a report. The view of the committee is that we want Community funds to go to the poorer people in the poorer regions, but we want to find a better vehicle for it. The present system operated by the Commission is an invitation to fraud, and fraud is what we seem to be finding. We think that they should rub out their present system and install a new one. At present, I understand, the Commission is flying over the olive trees of Italy trying to count them!

This brings me to a complaint that comes up at this time every year when I have my annual battle with Vice-President Tugendhat over under-spending. I always say that under-spending on administration is a good thing, but under-spending in the policy field means that Parliament's views and clearly designated priorities are not being followed. I look to the time when we can, by use of the discharge, encourage the Commission to go in the right direction.

Mr Eyraud (S). — (*FR*) Mr President, my dear colleagues, on the very day when we have been debating the future financing of the Community and have been confronted with the difficulties stemming from the imminent exhaustion of its own resources, we have the task of granting the Commission a discharge in respect of its implementation of the budget for the 1981 financial year. It could be said that 1981 was the last 'good year' in budgetary terms, since we returned a surplus of 661 million ECU. Nevertheless, we must not forget — and the facts are there to remind us — that this surplus was attributable in part to the fact that an appreciable proportion of the appropriation to the Guarantee Section of the EAGGF was not taken up that year.

On this point, I am not prepared to join with others in finding fault with the Commission for its lack of accuracy in its forecasts. I fully realize that it cannot forecast the worldwide pattern of weather over a twelve-month period, so that it is impossible for it to predict the quality of harvests, the quantity of yields or the resultant prices on the world market. Similarly, in as much as the will to take effective action to combat the build-up of surpluses is still lacking at all levels of the institutions, it is impossible for the Commission to make accurate forecasts of the pattern of agricultural production. The truth of this has been self-evident since the summer of 1982, even though the appreciable fall in expenditure connected with dairy products, for instance, may also be attributable to economic factors and improvements in management. As far as dairy products are concerned, I consider it essential to reorganize the co-responsibility levy system, but with the object of making it fairer! It is one of the efficient ways of deterring the accumulation of surpluses, in that the levy is mitigated by modulation. In more general terms, whether one likes it or not, a more radical reorganization above a certain level of production per farm holding must be part of the process of combating surpluses, of whatever product; hence the need for modulation of guaranteed producer prices. I hope I am understood on this point, Commissioner, since for my part I regard this as one of the prerequisites for success in reducing surpluses.

It would also be desirable for future budgets to incorporate a tax to deter imports of cereal substitutes, which compete with Community products without doing anything to advance food-crop production in the developing countries.

My final comment is concerned with the need for a change in the charging of certain expenditure. What I have to say on this has often been said before, but I do not think that it will do any harm to repeat it. We note that in 1981 substantial sums of expenditure on refunds in respect of Community food aid were charged to Titles I and II of the EAGGF (Guarantee), whereas in my view it would have been more appro-

priate to include them under Chapter 92 of Title IX. If this had been done, they would not have been a burden on the EAGGF budget and added grist to the mill of the common agricultural policy's detractors.

Those, Ladies and Gentlemen, were the few comments that I had to make on the discharge for 1981.

I should like to conclude by expressing regret at two things: first that, because of the lack of coherence between the various policies, the only real common policy, the CAP, is being made a scapegoat; secondly that, because of a chronic inability to agree on new policies, the Commission is not managing to use all the appropriations made available to it by Parliament. These things are a pity for Europe.

Mr Marck (PPE). — (*NL*) Mr President, yesterday the House adopted a resolution on the reform of the Community Social Fund. I feel it useful, therefore, in this debate on the discharge, to examine in greater detail the malaise afflicting that Fund, not least because I have been entrusted to carry out such an examination on behalf of the Committee on Budgetary Control. Indeed I can subscribe to most of the comments voiced by Mr van Minnen on this subject this morning.

At the outset it is worth reflecting upon the ambivalent attitude of the Member States. The reports of the Social Fund, the Regional Fund and the EAGGF — Guidance Section, lay the blame for non-utilization of substantial sums of approved aid squarely at the door of certain recalcitrant Member States whose refusal to contribute their share of the necessary budgetary resources contrasts with the lip service they pay to the need for such Community projects. A striking aspect is the much more consistent behaviour of the richer Member States *vis-à-vis* their so-called needy Community partners. There is another aspect of the non-utilization of allocated aid which is even more disturbing, namely delays in, or erroneous submission of projects by Member State government authorities. Is one to deduce from such equivocal behaviour that, whereas negotiations on Community financing provide the occasion for some Member States to go at it hammer and tongs in an effort to extract the last ounce from the Community pot those same Member States, once the cash is in their coffers, are prepared to leave in abeyance the implementation of the projects for which the funds were granted in the first place? For, in the final analysis those for whom such aid projects were initially conceived will have to go away empty-handed if the granting of such aid at Community level is not transformed into tangible policy measures back home. One has to conclude that certain Member States are only prepared to make an effort on the implementation of Community measures when the latter are entirely financed at Community level, failing which they simply drag their feet.

Marck

I can therefore subscribe to the Commission's proposal, in connection with the reform of the Social Fund, to envisage the granting of interest on fully-subscribed Member State contributions to the Fund. It only remains to work out an appropriate interest rate which would constitute an effective deterrent against defaulting Member States.

My second point is directed at the Commission. For years now Parliament has denounced the inherent rigidity of the Social Fund's management. There remains considerable room for improvement: concerning such perennial matters as unjustified credit commitments, the failure to set off simultaneous surpluses against shortfalls on the accounts of the Fund, substitutional sums on clearing accounts and, even more disquieting a high project-cancellation rate. Greater flexibility is called for but such flexibility must have its corollary in an effective system of control and reporting. As such one can only regret the Commission's failure to implement a feasibility system for evaluating Social Fund measures. It is to be hoped that the opportunity afforded by the reform of the Social Fund can be seized in order to create a management system which best complies with the prevailing financial and administrative parameters while simultaneously affording Parliament, and through it public opinion, the opportunity of judging the viability of the Social Fund on the results attained.

IN THE CHAIR : MR KLEPSCH*Vice-President*

Mr Price (ED).— Mr President, my interest is in the administrative budget of the Commission, on which I am rapporteur of the Committee on Budgetary Control and in respect of which I have prepared a working document annexed to the Schön report, and I will confine my remarks to these points.

The first one relates to staff, because in any administration staff is obviously vital. One point of concern is the number of unfilled posts. This is a matter which we refer to year after year, and one in which the Community really must improve its recruitment procedures. There is scope for change by consultation between the institutions, but the main policy should be a much speedier filling of posts.

The second thing in any administration is the production of documents. Two issues arise this year, one relating to the volume of translation and the other to the output of the typing-pools. Even if we can restrict the production of unnecessary papers, we shall still be faced with an enormous production of documents, and so the way we organize both the translation and the typing of documents is very important. The

committee points out that technology can help with machine translation systems but that we must ensure that we get value for our investment, and that it needs to be monitored carefully. We can also use word processing to ensure that electronic texts, produced by one institution are made available to another institution. In this way one can reduce the amount of work entailed in both translation and typing. So there are ways in which technology can help, and we draw attention to them.

The third issue relates to external offices, the employment of local staff there and various other issues of financial control. There seems to have been some weakness here, and we expect the report being prepared by the Commission's appropriate Directorate-General will show how the Commission is improving its administration in this field. The Committee will be looking at that with some interest.

The fourth issue is that of the Commission's vehicle service. Parliament drew attention to this previously, and it is gratifying to note that there has been a change, particularly in the Luxembourg transport pool, as a result of which costs have been cut. There are further measures that could be taken relating to the Commission's vehicle service, and ideas on these are put forward in the conclusions of the working-paper. I draw the Commission's attention to the fact that the conclusions of that working-paper are incorporated in a paragraph of the resolution, which I hope Parliament will support.

President. — The debate is closed.

The vote will be taken at the next voting time.

11. Turnover taxes

President. — The next item is the report (Doc. 1-88/83) by Mr Rogalla, on behalf of the Committee on Economic and Monetary Affairs on

the proposal from the Commission of the European Communities to the Council (Doc. 1-558/82 — COM(82) 443 final) for a thirteenth directive on the harmonization of the laws of the Member States relating to turnover taxes — Arrangements for the refund of value-added tax to taxable persons not established in Community territory.

Mr Rogalla (S), rapporteur. — (DE) It is fitting that the debates on the Community's own revenue and the question of the discharge should be followed by my report on a number of measures relating to turnover taxes, value-added tax, and in particular the procedure, which should be harmonized as far as possible in the Member States.

My report on behalf of the Committee on Economic and Monetary Affairs covers the large area of fiscal provisions contained in Articles 95 to 99 and espe-

Rogalla

cially Article 100 of the EEC Treaty. To this end, the Commission is to submit proposals which will require the unanimous approval of the Council, the object being to harmonize the legislation of the various Member States on turnover tax, for example, and including the countervailing arrangements for trade. This is explicitly required by Article 99 (1) of the EEC Treaty, and before the Council reaches a unanimous decision, the second paragraph of Article 100 requires the European Parliament to be consulted.

We are therefore in the process of exercising the not exactly numerous direct powers we have. I should like to take this opportunity to mention the authors of the EEC Treaty, on the one hand, with envy, on the other, with annoyance: with envy, because we have here well-oiled machinery for the harmonization of legislation which the Commission has on the whole used courageously and promptly. Even if not all the dreams have come true, not all the proposals for directives have already been taken down from the Council's shelves and adopted, the Commission cannot always be blamed, although we should like to see it being a little more pushy, bringing more pressure to bear on the hesitant Member States and having its Members doing more to influence Member Governments: it is quite obvious that the relevant officials from the Member States who delay their approval for one reason or another are anything but European-minded. They are trying to safeguard national interests and, for example, avoid what they often mockingly call 'harmonitis', or adjustment despite opposing civil interests.

What I find annoying about the authors of the Community Treaties is that, regardless of the area concerned, they have prescribed the same course for the harmonization and enactment of legislation. How lucky we would be if, for example, we had the same built-in automatic mechanism for meeting the freedom of movement requirement laid down in Article 3 (c) of the EEC Treaty: proposal for a directive, deliberation in the European Parliament, unanimous decision taken by the Council and an opinion from Parliament. That is not the way it is. The result is that we now have to do what the authors of the Treaty omitted to do, which means that the Commission must have the courage to propose directives or regulations rather than resolutions, those non-binding expressions of will for which the Treaty makes no provision.

I now come to countervailing measures for trade. That is the keyword in the directive the Commission has proposed, which is based on Article 8 of the eighth directive on arrangements for the refund of value-added tax to taxable persons not established in Community territory. This permits the Member States to refuse refunds to taxable persons not established in Community territory or to make such refunds conditional on special requirements being met. The object is to prevent the conditions governing refunds in the

various Member States from causing distortions of competition and shifts in trade to the detriment of the taxpayers in one Member State who deliver goods to or provide services for dependants in third countries if the conditions and procedures relating to refunds for which the legislation of that Member State provides are appreciably more stringent than in other Community countries.

We feel this proposal from the Commission is justified. However, we did consider it necessary in the committee to make two additions. The two amendments the committee has proposed concern the possibility of requiring the Member States to inform the Commission of the third countries to which they intend to apply the provisions of this directive. On the basis of this information, our amendment suggests, the Commission should be able to request further information from the Member State concerned and to undertake a more careful examination in order to prevent abuses of the provisions which allow exemption. The Commission's text after all explicitly states that refunds may not be made at more favourable terms than those applicable to taxable persons established in Community territory. It must be possible for the Commission to check this. The proposal also states that refunds may be made dependent on observance of the principle of reciprocity. Here again, the Commission must be able to check.

The second amendment the Committee on Economic and Monetary Affairs proposes concerns the European Parliament's rights of control. We want to see the Commission required to submit reports on cases in which such refunds are granted. Three years after this directive has entered into force the Commission should report to the European Parliament on its application so that the directly elected Members of Parliament can see how these provisions on refunds have been applied. I should be grateful for your approval of this draft report and the two amendments proposed by the Committee on Economic and Monetary Affairs.

A third amendment has also been tabled to paragraph 6 of the motion for a resolution. This motion congratulates the Commission on at least adopting a proposal for a twelfth value-added tax directive listing expenditure which may be deducted. This comes into the area of the uniform application of fiscal law to expenditure which is not subject to value-added tax. I am opposed to this amendment, which seeks the deletion of paragraph 6, because I consider it appropriate that we should express our concern to the Commission in this motion for a resolution, since we set great store by progress being made in the area of fiscal harmonization. Paragraph 6 says no more and no less than that.

As in many areas of European law, progress is made step by step, the object being to consolidate the common turnover tax. This harmonization is wearisome but necessary. The need for unanimity in the

Rogalla

Council, as laid down in the EEC Treaty, does not make this work any easier. Even the European Parliament took several months to make up its mind to endorse the Commission's proposals, as it will do if it adopts my report. I hope that in undoubtedly difficult negotiations it will be having with the Council the Commission will refer confidently to the vote we take. I call on the House to approve this report and the amendments it proposes.

Mr Tugendhat, Vice-President of the Commission. — This is my fourth speech today and I hope my last.

The 13th directive which is before this House today, Mr President, forms part of a group of three VAT directives: the 12th, 13th and 14th presented by the Commission last year and at the beginning of this year.

The 12th directive on non-deductible expenditure has yet to be considered by Parliament. The non-deductible items listed in that directive correspond to the list of non-deductible items in Article 4 of the 13th directive.

The 14th directive deals with a slightly different type of problem, namely deferred payment of VAT on imports. This directive is presently under discussion in the Council.

The purpose of the 13th directive is to introduce common arrangements for the refund to an undertaking established outside the Community of the VAT charged on purchases or importation of goods or services which they have made in Community States.

The proposal is, in effect, the reciprocal of the 8th directive adopted in 1979 which deals with the refund undertakings in a Member State of the VAT charged on purchases on importation made in another Member State.

The basis for both the 8th and 13th directives is to be found in Article 17 of the 6th directive on VAT on the uniform basis of assessment in accordance with which any trader is entitled to a refund of the tax invoiced to him in a Member State in which he is not established. Nevertheless, paragraph 4 of that article permits Member States to depart from that principle in respect of traders not established in any Member State. Currently, some Member States refund VAT to traders from non-Member States under the same conditions as those which apply to Community taxable persons, whereas others have adopted a much more restrictive attitude, even to the point of not allowing any right to a refund. During the discussions before the 8th directive was adopted, the Commission made it clear that it wished to see these differences eliminated and Parliament for its part requested an appropriate proposal. The Commission takes the view that the arrangements contained in the proposed 13th directive will make a substantial improvement on the present conditions of competition within the Community and will help to promote the process of economic

integration and benefit the harmonious development of trade relations between the Community and third countries.

Mr President, while it is not possible to make an exhaustive evaluation of the budgetary impact which the 13th directive is likely to have in each Member State, it does seem reasonable to assume that the impact will not be very great since the principal beneficiaries will be participants at fairs and exhibitions and transport undertakings.

It should be emphasized that the proposal for a 13th directive is directed at firms from third countries which, in principle, do not carry out any taxable operations within the territory of the Community. The firms concerned will, therefore, benefit from the advantages of the common VAT system without suffering from the burdens.

The Commission very much welcomes the positive report and draft resolution which comes from Mr Rogalla and the Committee on Economic and Monetary Affairs. I note that the report proposes a substantive change in Article 3, paragraph 3, of the draft directive which would have the effect of requiring Member States to notify the Commission where refunds are made conditional upon reciprocity agreements. There is a linked proposal according to which the Commission's report to be made after three years of operation would deal particularly with the application of Article 3, paragraph 3.

I think, Mr President, that the idea of notification of reciprocity agreements is, in principle, a good one and also useful. And I can assure Mr Rogalla that the Commission will be examining it with a view to its inclusion. Moreover, the right of a Member State, provided for in paragraph 3, to invoke the principle of reciprocity is necessary to ensure that taxable persons from that Member State do not receive less favourable treatment in a third country than the taxable persons of that third country receive in that Member State. Viewed in that light, I do not think it would be appropriate to provide for the sort of continuing review which seems to be envisaged in the proposed amendment to Article 3, paragraph 3. I can, of course, agree in principle to the proposed amendments to Article 6 which would have the effect of focussing the Commission's three-year report, *inter alia* Article 3, paragraph 3.

It also goes without saying that the Commission will, of course, submit the report to the European Parliament as well as to the Council.

Mr President, I think that those are the major points which I wish to make and in view of the fact that at the moment voting is now approaching and there seem to be no other speakers in this debate, I think there is no need for me to go any further. But if, of course, Members of the House who have not had an opportunity to speak wish to raise points with me, I will do my best to reply.

President. — The debate is closed.

The vote will be taken at the next voting time.

12. Responsibilities of the parliamentary committees

President. — The next item is the report (Doc. 1-1310/82) by the enlarged Bureau on the application of Rule 91 (1) of the Rules of Procedure on the powers and responsibilities of the parliamentary committees.

Mr Vandewiele (PPE), rapporteur. — (NL) Mr President, ladies and gentlemen, the report which I have drawn up on behalf of the enlarged Bureau and which we are now submitting to the House for a ruling, concerns Article 91 of our internal Rules of Procedure which empowers Parliament itself to define the powers of any committees it chooses to set up. This implies that Parliament is to be the ultimate arbiter in any disputes concerning the terms of reference of the committees thus created.

To begin with I would point out that there have been, in the intervening period since our Parliament was directly elected by universal suffrage, precious few disputes on the matter of terms of reference.

The report before the House is a compilation of texts and proposals drawn up on the basis of lengthy practical experience on which the enlarged Bureau was exhaustively consulted. Such consultation was inaugurated under the presidency of Mrs Veil and culminated in the amendments to the recently-published initial version of the report now under consideration which highlighted the need to resolve two critical areas of jurisdiction likely to give rise to conflicts.

The first of these concerns loan and aid measures. The enlarged Bureau felt that the evaluation and recommendation should be essentially entrusted to the Committee on Economic and Monetary affairs — albeit leaving open the possibility of a joint consultative role for our Committee on Budgets concerning the budgetary implications of such grants.

The second problem, a matter covered by Mrs Veil's and Mr Sieglerschmidt amendments concerns the authority as defined in the Staff Regulations applicable to officials and other servants of the European Communities, that is to say our daily collaborators, both in the general secretariat and the political groups. Since 1952 the Committee on Budgets has had effective responsibility for handling matters in connection with the Staff Regulations. No one would deny the considerable financial and budgetary incidence which such stewardship entails.

On the other hand the day to day administration brings into focus the organization- and management-related problems inherent in a Community institu-

tion, together with the legal situation, rights and duties — in the social sector too — and the demands of our civil servants. It is on the basis of such considerations that our Legal Affairs Committee justifies its entitlement to primary responsibility in this area, without prejudice to the authority of the Committee on Budgets, on budgetary aspects.

The report before the House recommends the maintenance of the *status quo* under which the Committee on Budgets maintains effective responsibility, with the Legal Affairs Committee having a joint consultative role. Allow me, nevertheless, to reiterate that the enlarged Bureau has no desire to impose its views on the House. It is Parliament which is ultimately responsible for deciding the fate of the report on the basis of Article 91 of our Rules of Procedure. Tomorrow's vote will ascribe the primary responsibility to one of the two aforementioned committees.

Finally, Mr President, a number of less crucial amendments have been tabled. Should it be necessary, I would be happy to go over them rapidly during the debate. Perhaps I could just indicate my opposition to an over-elaborate definition of responsibilities and if the House can see its way to concur with the broad outlines of the report I feel the amendments, as they stand, are unlikely to cause any major problems.

Just a brief comment to close. In its deliberations on this report the enlarged Bureau's overriding concern was that of enabling the House, on the basis of the relevant facts, to define the powers of the relevant committees while taking account of the practical experience gleaned heretofore which has in general, as I indicated earlier, been exemplary.

President. — We shall now interrupt the debate which will be resumed after the vote.

13. Agenda

President. — At its meeting this morning the Bureau instructed me to propose the following changes in the agenda for tomorrow's sitting to the House :

1. Postponement of the report (Doc. 1-240/83) by Mr Dalsass on ethyl alcohol until the June part-session. The reason is that, because of the large number of votes which will have to be taken on it, it would be undesirable to take it on Friday.

2. To enter on Thursday afternoon's agenda after the Wagner report on the steel industry, a statement by the Commission on agricultural prices. The Commission's statement will be followed by a short debate for which 4 minutes speaking-time has been allocated to each group and to the non-attached Members.

Mr Purvis (ED). Mr President did I understand you to say that you were suggesting that the Dalsass report on ethyl alcohol should be held over until June? If you did, and it was because there was a mass of amendments and in view of the very doubtful legal position on this report, I would ask under Rule 85 if it may be referred back to committee for proper consideration and returned to Parliament when ready.

President — Mr Purvis has moved that the report be referred back to committee.

This puts us in a difficult position, Mr Purvis, since you may only so move when the report has been called. It has not been called. I therefore simply suggest that it not be dealt with as part of this agenda. I therefore ask you not to make this request.

Mr Hord (ED). — On a point of order, Mr President, Rule 85 specifically states that 'referral back to committee may be requested by any Member at any time'. Therefore I would suggest that the point of order raised earlier is in order.

President. — Mr Hord, I must ask you to consult the revised version of the Rules of Procedure. It contains an interpretation of the Committee on the Rules of Procedure and Petitions on which I have based my proposal. It states specifically that a request for referral back to committee — and this has been incorporated into the text — may be made during the debates before final voting begins, subject to Rule 81 (2).

Lord Harmar-Nicholls (ED). — Mr President, even if you do not accept my friend's suggestion that the rules, as he read it, is specific, you yourself have placed this topic on the agenda for discussion and you have made a suggestion as to how it should be treated. If you have the power to ask Parliament to confirm what you suggest, I would suggest that the Member has the same power for his alternative suggestion to be put to Parliament. It is on the grounds of your own precedent, if you like, that this matter should be decided by Parliament — either your suggestion of deferring it or my friend's suggestion that it go back to committee.

President. — Lord Harmar-Nicholls, I cannot accept your interpretation since, under Rule 56, once the agenda has been adopted it can only be amended on a proposal from the President which is what I am making on behalf of the enlarged Bureau.

As regards this point I have simply communicated a proposal from the Bureau to amend the agenda. The debate on the Dalsass report has not yet begun so that, in my view, no request for referral back to committee can be made.

Mr Sieglerschmidt (S) — *(DE)* Mr President, I think your interpretation of the opinion of the

Committee on the Rules of Procedure and Petitions — and Parliament's too, since it has now been approved — is correct, and I feel that the object of the request can easily be achieved if the committee responsible adopts a reasonable attitude. The fact that so many amendments have been tabled does not, in my opinion, prevent it from considering the subject matter and the amendments once again with a view to finding reasonable solutions in time for the June part-session.

President. — Thank you for your remarks, Mr Sieglerschmidt. I did not wish to make any suggestion, Mr Purvis, on what the Committee on Agriculture can do.

I shall not call anyone else to speak since I have given my interpretation of the Rules of Procedure. If you disagree with it, I would ask you to refer your objections to the Bureau so that they can be passed on to the Committee on the Rules of Procedure and Petitions.

Mrs Elaine Kellett-Bowman (ED). — I was merely going to ask that we proceed with the vote which was scheduled for 5.30 p.m., Mr President.

Mr Dalsass (PPE). — *(DE)* Mr President, I should like to see this item on the agenda for the next part-session. I would therefore ask Members not to cause too much difficulty.

President. — There is no further difficulty, Mr Dalsass.

I come now to the question whether Parliament approves the two proposals from the Bureau. The first proposal was to hold over the Dalsass report until the June part-session; the second proposal was that the Commission's statement should be taken tomorrow after the Wagner report and in addition that speaking time be allocated for a short debate i.e. 4 minutes for each of the groups and 4 minutes for the non-inscribed.

Mr Purvis (ED). — Mr President, I suggest that we vote separately now on whether to postpone the Dalsass report or not. I would suggest that the House should vote to maintain it on the agenda this month so that tomorrow, when it is under debate, we can decide whether it should go back to committee or not. There is no point in waiting till next month to decide that; we might as well decide it this month.

President. — Mr Purvis, I was about to do so anyhow. I shall first put to the vote the Bureau's proposal to postpone the Dalsass report until June.

(Parliament approved both proposals)

14. *Votes*¹**Konrad Schon Report (Doc. 1-275/83 — Discharge 1981)***(After the adoption of the motion for a resolution)*

Mr Aigner (PPE, chairman of the Committee on Budgetary Control. — *(DE)* Mr President, I feel I must apologize on behalf of the members of the Committee on Budgetary Control, who were unable to attend the final debate this afternoon. One of our working parties was having a meeting, and we had been told that the final debate would not take place until after this vote at 5.30 p.m. I therefore apologize to the Commission for our absence. It was not our intention or meant as a demonstration against the Commission.

15. *Responsibilities of the parliamentary committees (continuation)*

President. — The next item is the continuation of the debate on the report (Doc. 1-1310/82) of the enlarged Bureau.

Mrs Walz (PPE) chairman of the Committee on Energy and Research, — *(DE)* Mr President, ladies and gentleman, the Committee on Energy and Research has tabled three amendments to Mr Vandewiele's draft report, which I will now explain. I should also like to thank Mr Vandewiele for his excellent report.

The first amendment, No 1-1310/20, proposes that the name of the Committee on Energy and Research should be changed back to the Committee on Energy, Research and Technology. This in itself would more closely reflect the committee's terms of reference, as the names of most other committees already do. The new name would also take account of the greater importance attached to technological research in the Community. The two amendments concern the real problem of the division of responsibilities among the committees. Basically, it is a question of drawing a line between the responsibilities of the Committee on Energy and Research and the Committee on Economic and Monetary Affairs where they at present overlap: the transition from pure research to industrial or commercial application. Industrial policy undoubtedly falls within the terms of reference of the Committee on Economic and Monetary Affairs. Similarly, the Committee on Energy and Research is in principle the committee responsible for all research matters. It cannot be denied that there has been some friction on this point in the past, and we should like to put a stop to it. We therefore propose that all questions pertaining to basic scientific and technological research and the application of this research should continue to be the responsibility of the Committee on

Energy and Research provided that such application is not governed by a specific industrial policy. In other words, the Committee on Energy and Research assumes that it will continue to be responsible for all research activities in the pre-competitive sector, prior to industrial application, in other words, even if these research activities form part of or constitute preparatory work for a specific industrial policy.

As the example of Esprit has shown, a division of labour between the two committees along these lines can be very beneficial, and I would welcome it if today's decision resulted in an improvement in the cooperation between the two committees.

Mr Beumer (PPE), chairman of the Committee on Youth, Culture, Education, Information and Sport. — *(NL)* Mr President to begin with I should like to congratulate Mr Vandewiele on the excellent report he has drawn up on behalf of the enlarged Bureau. In my capacity as chairman of the Committee on Youth, Culture, Education, Information and Sport I should like to focus attention on two items.

Firstly, I see under the heading 'Political Affairs Committee' that it is responsible for the 'political and institutional aspects of relations with international organizations and third countries'. I feel I ought to point out that Community relations with international organizations should not embrace the European Foundation. A comparison of the principal functions entrusted to the Committee on Youth, Culture, Education, Information and Sport with those of the European Foundation as enshrined in the Treaty of Rome, highlights an identical role, at least as far as the four principal activities of our committee are concerned. On behalf of that committee, therefore, I would request the House to ensure that an explicit reference be made to the effect that relations with the Foundation come under the umbrella of our committee's activities.

Secondly I would point out that our committee should be responsible not only for the field of advanced education in general but also for the quite distinct area of cooperation between the various advanced education authorities. That implies setting up distinct bodies, subject to their own rules and having charge of their own finances. As such I would ask the House to incorporate this second area of advanced education on a separate basis within the global responsibility of the Committee on Youth, Culture, Education, Information and Sport.

Mr Sieglerschmidt (S). — *(DE)* Mr President, ladies and gentlemen, I should like to comment on the two matters the Legal Affairs Committee has considered. One has already been mentioned by the rapporteur, this being the question of responsibility for the Staff Regulations governing officials and all other staff. I

Sieglerschmidt

feel it is no more than logical that legal matters concerning officials should be the responsibility of the Legal Affairs Committee and that all important questions relating to their remuneration should of course, be considered by the Committee on Budgets and can be settled by the reasonable process of this committee submitting an opinion. It therefore seems to me that the amendment tabled by Mrs Veil on behalf of the Legal Affairs Committee goes further than mine, but with the exception of matters relating to remuneration — unless serious legal questions are involved — the Legal Affairs Committee should be the committee responsible.

The second point concerns responsibility for questions with which Parliament is concerned in connection with proceedings before the Court of Justice of the European Communities. In this case, I feel, it should be completely immaterial which committee is responsible. If Parliament has to deliver an opinion in one form or another on proceedings before the Court of Justice or itself wants to bring an action, the recommendation to the House as to whether or not such an action should be brought should come from the Legal Affairs Committee, as the committee most competent, and not from the committee into whose terms of reference the subject matter falls, although it should, of course, be consulted. I therefore oppose the Legal Affairs Committee's amendment, which proposes that an exception should be made in the case of the Committee on Budgets, because the same applies to all matters to do with specific fields.

A final comment on how this should be handled. You Mr President, will probably not conduct the vote, but perhaps the sessional services are listening to me. I think it would be wise to vote first on whether something should be allocated to a committee and then on whether it should be removed from the other committee's terms of reference, irrespective, of the sequence in which the committees are named in the report.

President. — I shall pass on your proposal to my colleagues. It seems to me to be very convincing.

The debate is closed.

The vote will be taken at the next voting time.

16. *Diplomatic relations between Greece and Israel*
(continuation)

President. — The next item is the continuation of the debate on Mr Pender's report (Doc. 1-63/83)¹.

Mr Blumenfeld (PPE). — (DE) Mr President, most of the members of the European People's Party have no reservation in approving the report drawn up by Mr Penders on behalf of the Political Affairs Committee.

Leaving aside the question of the *acquis communautaire*, which I do not want to discuss now, all the Member States and member governments of the European Community follow a similar line on external relations and the Community's joint position. Before Greece acceded to the Community, there was not a single case of a Member State not having diplomatic relations with a country with which the Community had concluded an association or similar agreement. Before Ireland, for example, joined the Community, it did not have diplomatic relations with Israel, but immediately established them on its accession and so joined all the other Member States, who maintain normal diplomatic and political relations with Israel.

The government of Andreas Papandreou, which has been in office since October 1981, or just over six months after Greece acceded, knows what is at stake here. Again and again the question has been asked, in the European Parliament and elsewhere: why does Greece not establish full diplomatic relations with Israel? We have not received a satisfactory answer in the last eighteen months. We find this very surprising, and we therefore approve Mr Penders' motion for a resolution.

We believe that in the coming six months, when Greece will have the Presidency, the difficult and tense situation in the Middle East place it in positions where it ought to be able to hold on-the-spot, confidential discussions with the parties concerned. I think it will be simply impossible not to maintain full diplomatic relations with Israel or with the Palestine terrorist organization, the PLO, in such circumstances. We therefore believe that the Greek Government must be urged to consider with the utmost urgency whether it cannot establish full diplomatic relations with Israel so that it can join with all the other member governments in cooperating and negotiating with all the countries and organizations in the Middle East in an atmosphere of mutual trust.

Mr Ephremidis (COM). — (GR) Mr. President, some peculiar things are being said here, and facts are being ignored. Greece maintains economic, trade, and diplomatic relations with Israel. This has been so ever since the State of Israel was founded, and no anomalous situation has arisen in this respect. I also wish to add that neither the Greek people, nor any Greek government have ever, in any instance shown manifestations of antisemitism. Our two peoples share a liking and a friendship for each other. Thus, we are puzzled as to the reasons behind this debate and this resolution, which seeks to impose upon Greece the development of relations at a level desired by those who introduced the resolution and those who are supporting it.

¹ See previous day's debate.

Ephremidis

They refer to the fact that Greece is to assume the Presidency. In other words, do they wish, by implication, to impose a condition on Greece? But when the turn of their own country arrives, conditions concerning the assumption of the Presidency may then be imposed on them as well.

Secondly, they refer to the fact that Greece has recognized the PLO, with which it has taken up diplomatic relations. What we would like, since this would be in the interests of peace in the Middle East, is for all the EEC countries to recognize the PLO, because that would mean progress in the peaceful resolution of the broader Middle-Eastern problem.

They refer to the precedent of Ireland. But Ireland did not have diplomatic relations, while Greece does. Thus, it seems that they wish, with the pressure they are exerting, first of all to interfere openly with Greece's sovereign rights, and secondly, by imposing the promotion of our relations, to reward the rashness and aggressiveness of Israel after all that country has done in ignoring a whole series of decisions by the UNO, and after the genocide of which they were guilty in Lebanon.

Mr. President, I believe that for those of our colleagues who wish to see things as they really are, all these are not proper arguments because they are both ridiculous and unfounded. Consequently, we too can claim that our country, with its present government, is quite right to maintain relations at the level that they have been for so many years, because that is what is demanded by the interests of both peace and the self-respect of our national sovereignty.

For these reasons, we shall vote against the resolution.

Mr Pasmazoglou (NI). — (GR) Mr. President, I should like to ask all our colleagues to take note of the following:

First, that the matter of the diplomatic relations between Greece and Israel is not new. It began in 1948 when the State of Israel was founded, and irrespective of whether the decisions taken then concerning the level of relations between Greece and Israel were appropriate at the time, the subject of those relations became linked, with the passage of time, to certain matters of great national importance for the Greek people. One such matter was the Cyprus problem.

The second point I wish to bring to your attention is as follows: I agree that there is a need, and wish that full diplomatic relations would be established between Greece and Israel. Consequently, I agree in substance with the wish expressed in the Penders report, and believe that it is well known that a large majority of the Greek people knows of, recognizes, and esteems the sacrifices of the Israeli people in tragic periods of mankind's history. The Greek people also consider it necessary to safeguard the existence and security of

the State of Israel, just as on the other hand, a safe homeland should be recognized and established for the Palestinian people. In this spirit, a large majority of the Greek people strongly condemns a number of events that have recently anything but reinforced a closer approach between Greece and Israel, while on the other hand it shows lively interest in, and support for progress towards a just and lasting peace in the Middle East.

Mr President, the third and last point is as follows: The great majority of the Greek people also recognize the importance of European political cooperation and the political achievements of the European Community, as mentioned in the Penders report. There is also an urgent need to achieve an active political solidarity between the Member States of the European Community, the political solidarity called for in the proposals by de Courcy Ling, Charzat, Blumenfeld and others. However, fellow-Members, how can we speak of European political collaboration today, or of political solidarity, when only five days ago, on Friday, 13 May, seven Member States of the European Community, excepting only Ireland, France and of course Greece, voted against a resolution that had been supported by 103 countries in the world and that was inspired by the need to restore a just and lasting peace and security in Cyprus under the guarantee of the United Nations? Fellow-Members, how can this attitude of the seven countries and of the European Community be reconciled with the declaration and respect for human rights that we were talking about yesterday?

The basis, the foundation on which the Penders report rests, as well as the proposal for the resumption of relations between Greece and Israel that we are debating today, is weakened and in essence eliminated by the negative attitude of the seven countries, and of European political cooperation, concerning a matter of the highest ethical and political importance.

Mr President, I would like to hope that there will be no delay in securing the essential preconditions for the establishment of full and fruitful diplomatic relations between Greece and Israel.

Mr Kyrkos (COM). — (GR) Mr President, a country's external relations are part of its sovereign rights. Today's Penders resolution expresses a wish to the Greek government, and no longer contains the objectionable expressions of its first draft, nor the erroneous legal foundation of the latter. However, Parliament should once again refrain from intervening in a position upheld by every Greek government, and one that is the fruit of the will and orientation of the Greek people. We wish to maintain the best possible relations with the people of Israel, and we have proved this in the past. However, we condemn the policy of Israel's ruling circles, who still quite recently provoked a worldwide outcry by the invasion of Lebanon.

Kyrkos

We hope for, and work for peace, in the Middle East. However, this presupposes a recognition of the rights of the Palestinian people. Until then, the Greek government has no reason to change its attitude and we do not share the fears of Mr Blumenfeld that difficulties will arise in the exercise of the Greek Presidency. Mr Genscher made himself very clear yesterday when referring to these matters.

Colleagues, we call upon you to vote against this resolution.

Mr Alexiadis (NI). — *(GR)* Mr President, fellow-Members, I love and honour the Arab nation, but I also pay due regard to the State of Israel. Israel has suffered and has been tried more than any other nation in the world, and is a unique phenomenon in being a nation that managed to retain its cohesion while living through the Diaspora and in tribulation for 20 centuries. For some decades now, it has been an autonomous State and a member of the UNO. In other words, Israel is a reality before which no-one is entitled to close his eyes. Yet this paradoxical tactic is maintained by Greece, which should know better. The Progressive Party, which I have the honour to represent, from the start and from the platform of the Greek Parliament declared in favour of full diplomatic recognition of the State of Israel, when Nasser's Egypt too maintained the same diplomatic relations. It is paradoxical, to say the least, to see Greece 'more Arabic than the Arabs'. It is said that Israel occupies

Palestinian and Lebanese territories. We too lend our voices to the call to withdraw from these, and give full support to the right of Palestinians to independence and self-determination. On the other hand, we cannot deny the State of Israel the inviolability of its frontiers and the right of the Israeli people to peaceful life within them, nor can we pretend that the State of Israel does not exist.

Full diplomatic recognition of Israel by my country would benefit both these aims, especially now that from next July Greece is to assume the Presidency of the Council of Ministers of the EEC. In view of this, I fully accept the conclusion and the thinking behind Mr Pender's report, with just one recommendation: the objective of the united will of the EEC Member States should be manifested in other matters as well, and you will readily understand that I allude to Cyprus, which has been Greek for 3000 years.

President. — The debate is closed.

The vote will be taken at the next voting time.

*(The sitting was closed at 6.40 p.m.)*¹

¹ Agenda for next sitting: see Minutes

ANNEX I

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.

**MOTIONS FOR RESOLUTIONS — FUTURE FINANCING OF THE
COMMUNITY**

SCRIVENER (Doc. 1-300/83/rev.): ADOPTED

The rapporteur spoke :

— IN FAVOUR OF Amendment No 1

ARNDT (Doc. 302/83): ADOPTED

The rapporteur spoke :

— AGAINST all the amendments.

Explanation of vote

Mr Protopapadakis (PPE), *in writing* — (GR), I, and all the other Greek Members of the New Democracy in the European Parliament, will vote against every point in the Arndt report that relates to the CAP. Today's subject is the increase in own resources, and it is not right that the opponents of the CAP should find cause in this matter to project their cunning views.

The New Democracy has always supported farmers, and thus also the CAP of the EEC. Preserving consistency with this position, we shall therefore vote in favour of the increase in own resources but will not permit the CAP to be attacked by the introduction of irrelevant articles in the corresponding resolutions.

de la MALÈNE (Doc. 1-315/83): REJECTED

BAILLOT (Doc. 1-319/83): REJECTED

* * *

PFENNIG REPORT (Doc. 1-298/83 — ESTIMATES OF EP 1984): ADOPTED

The rapporteur spoke :

— IN FAVOUR OF Amendment No 2 ;

— AGAINST Amendments Nos 1 and 3/rev.

KONRAD SCHÖN REPORTS — DISCHARGE 1981

— Doc. 1-273/83 : ADOPTED

Explanation of vote

Mrs Boserup (COM), (*in writing*). — (*DA*) I have no objection to the figures which are there. But I think it is deplorable that one amount is missing ; there is only a dash. This calls for an explanation : it is not usual to approve accounts with gaps in them. The unusual fact that discharge is given to the President but not to the keeper of the accounts is swept aside with a remark that the Committee on Budgetary Control has not yet completed its work. It does not make sense, and it is not correct, to give discharge and at the same time state that the body which has to approve the accounts has not completed its work.

I think that a clear explanation of this irregular procedure is required. Our actions should be intelligible to our voters. I will vote against the motion.

— DOC. 1-275/83 : ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos 5 and 7 ;
- AGAINST Amendments Nos 1, 2, 3, 4, 6, 8, 9 and 10.

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ROGALLA REPORT (Doc. 1-88/83 — TURNOVER TAXES) : ADOPTED

*ANNEX II**I. QUESTIONS TO THE COUNCIL**Question No 6, by Sir James Scott-Hopkins (H-12/83)*

Subject : European Monetary System

What steps is the Council taking, if any, to enable the United Kingdom to join the European Monetary System ?

Answer

The Resolution of the European Council that established the European Monetary System expressly provides that a Member State which does not participate in the exchange mechanism from the outset may do so at a later date.

It is therefore up to the United Kingdom to decide whether it wishes to participate in the system's exchange and intervention mechanisms.

* * *

Question No 7, by Mr Salzer (H-17/83)

Subject : Information on an attempt to abolish legitimate democracy in Greece

Both the international and the Greek press have carried extensive reports of suspicious and unexplained mobilization in Greece on 26 and 27 February 1983 at the instigation of certain parties and directed at the legitimate democracy of this Member State.

Since the Greek Government has so far proved unwilling to inform the members of the Greek Parliament and interested European and international circles of what actually happened, can the Council, after consulting the Greek Government, indicate the dangers which have threatened and may still threaten the democratic parliamentary régime in Greece at the instigation of the armed forces or of certain fanatical supporters of political parties ?

Answer

As I stated in my reply to identical questions raised at the April part-session, this question is not within the competence of the Council.

* * *

Question No 9, by Mr Radoux (H-758/82)

Subject : Conciliation between the Council and Parliament and the rôle of Parliament in the conclusion of agreements with third countries

In his statement to the European Parliament on 11 January, the President-in-Office of the Council said that in addition to the European Act two resolutions adopted by the European Parliament in 1981, on the improvement of the conciliation procedure between the Council and Parliament and strengthening the rôle of Parliament in the conclusion of agreements between the Community and third countries, would be considered by the Council. What are the initial results of this examination and, if none have emerged, why not ?

Answer

The Council is continuing its examination of the two resolutions referred to by the Honourable Member. The subjects with which these resolutions deal are also being examined in the context of the German-Italian initiative.

* * *

Question No 10, by Mr Almirante (H-106/83) ¹

Subject: Anti-pollution measures

Why is it that the EEC provisions on anti-pollution measures (EEC/78/176) which laid down that by 1 July 1980 all the Member States had to present general proposals to be implemented within six months of the presentation of a single draft to be made law through the European Parliament by 1987, have not been respected?

Two years have passed and not all the drafts have been submitted, thus penalizing those national firms which immediately implemented the anti-pollution measures by introducing expensive equipment.

Answer

I can inform the Honourable Member that all Member States in whose territory there is a titanium dioxide industry have forwarded to the Commission their national programmes for the reduction of pollution caused by such industrial waste. The last of these programmes was sent on 15 October 1981.

In accordance with the 1978 Directive on titanium dioxide waste, the Commission must prepare a proposal for a Directive based on these national programmes with a view to harmonizing them. The aim of the proposal will be both to reduce and, if possible eliminate pollution caused by titanium dioxide, and to improve conditions of competition in titanium dioxide production.

Further to a directive adopted by the Council on 24 January 1983, the Commission submitted its proposal to the Council on 18 April 1983. The Council awaits with interest the Opinions of the European Parliament and the Economic and Social Committee on this proposal for a directive.

Finally, I would point out to the Honourable Member that as regards titanium dioxide the Council recently adopted, on 3 December 1982, a directive on procedures for the surveillance and monitoring of environments concerned by waste from the titanium dioxide industry.

* * *

Question No 14, by Mr Klepsch (H-78/83)

Subject: Harmonization of excise duties

When does the Council intend to resume the negotiations on the increasingly necessary harmonization of excise duties on alcoholic beverages, which reached a stalemate in October 1981?

The argument made in the answer given to Written Question No 1782/82², by Mr Müller-Hermann, that the outcome of the proceedings currently before the European Court of Justice relating to cases of tax discrimination must first be awaited, does not seem very convincing.

¹ Former oral question without debate (O-169/82), converted into a question for Question Time.

² OJ No C 100, of 13 April 1983, p. 29.

Answer

As it has already stated in its reply to Written Question No 1782/82, the Council has not lost sight of the problem of the harmonization of excise duties on alcoholic beverages and hopes to be able to return to it in the light of the rulings to be given by the Court of Justice in this area.

It is the Council's opinion that those rulings should in fact introduce new factors which may in certain cases help to resolve the disagreement subsisting at present among the Member States.

* * *

Question No 18, by Mrs Weber (H-92/83)

Subject : Dangerous and toxic waste

How frequently and at what level has the Council considered the proposal for a directive on the transfrontier movement of dangerous and toxic waste ?

Does the Presidency believe that it can reach a decision in June, as promised ?

Answer

The appropriate working-party will begin examining the proposal for a directive on the supervision and control of transfrontier shipments of hazardous wastes within the European Community in the course of this month.

The purpose of this is to enable the Council to hold a policy debate on the matter on 16 June 1983 pending receipt of the opinion of the European Parliament.

* * *

Question No 19, by Mr Johnson (H-97/83)

Subject : EEC Environment Fund

In view of the fact that the European Parliament approved on 15 April 1983, by 126 votes (no votes against and no abstentions), the Commission's proposal (COM (82) final) for a regulation on action by the Community relating to the environment, thereby respecting its commitments under the tripartite agreement, will the Council confirm that it is the Council's intention to adopt the above regulation within the time-limits prescribed or, at the latest, at the meeting of EEC Environment Ministers on June 16 ?

Answer

As the State Secretary, Mr Spranger, has already stated in his capacity as President of the Council at the Council's meeting on 29 April 1983 with the Parliament's Committee on the Environment, the Presidency intends to submit to the Environment Council on 16 June the proposal for a regulation on action by the Community relating to the environment.

* * *

Question No 20, by Mr Walter (H-110/83)

Subject: Failure by the Italian authorities to incorporate Directive 78/319/EEC¹ into national law

The uncertainty as to the whereabouts of the dioxin drums from Seveso has revealed catastrophic shortcomings and negligence, particularly on the part of the Italian authorities, who have so far considered it unnecessary to incorporate Directive 78/319/EEC into national law.

Will the Council urge Italy, and where appropriate other Member States, to do so as soon as possible; if not, what sense does it see in taking decisions which are not followed up?

Answer

According to the Council's information, all the Member States except Greece have now incorporated Council Directive 78/319/EEC on toxic and dangerous waste into their national legislation.

With regard to the general question of the implementation of directives by the Member States, the Council would remind the Honourable Member that, under Article 155 of the EEC Treaty, it is for the Commission to ensure that the provisions of the Treaty and measures taken by the institutions pursuant thereto are applied.

* * *

Question No 21, by Mrs Boserup (H-114/83)

Subject: The European Act

Can the President of the Council confirm that the Council's deliberations on the draft European Act have resulted in agreement on a number of points, more specifically concerning:

- the strengthening of political cooperation and its extension to include certain political and economic aspects of security policy;
- the definition of new fields for European cooperation: culture, harmonization of legislation, combating of international and transfrontier criminal activities; and
- the integration of the Council's various Community and political functions;

and, if so, can he provide further details?

Answer

In the course of their discussions on the German-Italian initiative for a European Act, the Ten have reached agreement on most of the points contained in the 'Solemn Declaration on European Union', as it is officially entitled. These include:

- the strengthening and extension of European political cooperation, including the coordination of Member States' attitudes on the political and economic aspects of security policy;
- the promotion of the following activities (insofar as they cannot be achieved under the Treaties):
 - closer cultural cooperation;
 - harmonization of Member States' legislation in certain fields;
 - joint analyses and coordinated efforts to solve international problems of public order and serious acts of violence, organized international crime and trans-frontier criminal activities in general.

¹ OJ No L 84, of 31 March 1978, p. 43.

Question No 22, by Mr Petersen (H-118/83)

Subject : Sanctions against the USSR

At the European Parliament's April part-session, the Council President stated that the Council's decision to prolong the sanctions against the USSR was legally binding on Denmark. The Danish Foreign Minister had previously told the Folketing that this was not so. It subsequently emerged that the Folketing was not in favour of Denmark's prolonging the sanctions.

According to press reports, the Council has taken note of this. Will the Council President confirm that a new procedure has been introduced whereby legally binding Council decisions can subsequently be cancelled if they cannot be ratified in the country concerned? And if so, will the Council President acknowledge that a new interpretation or at least a new construction has been put on the Luxembourg Compromise — i.e., that a country's 'vital interests' are no longer determined by its government but by its legislative authority?

Answer

1. The Regulation amending the import arrangements for certain products originating in the USSR, which the Council adopted on 15 March 1982 and extended on 23 December 1982, is applicable in all Member States until 31 December 1983, unless amended or repealed before that date. Furthermore, the suspension of these measures in respect of imports into Greece, which was decided by the Council in March 1982, remains valid.

2. At the Council meeting of 21 February 1983, the Foreign Minister of Denmark declared that the Danish Government, with reference to Article 224 of the Treaty of Rome, would cease to apply the provisions of the regulation as of 1 March 1983.

The Council took note of the Danish declaration.

3. The Danish Government has informed the Council and the Commission that it has adopted measures which prohibit the re-export to other Member States of goods which are covered by the Council regulation.

To the first of Mr Petersen's questions, i.e., whether a new procedure has been introduced whereby Council decisions which are legally binding on the Member States can subsequently be cancelled in a given Member State if they cannot be ratified in that State, my answer is no.

As a result, Mr Petersen's second question, in the form in which it is put, does not require an answer.

* * *

Question No 23, by Mrs Desouches (H-122/83)

Subject : Directive on asbestos

On 23 April 1982, the European Parliament adopted the report drawn up by Mrs Scrivener embodying its opinion on the asbestos directive.

How is it that this text, which is important for the health of workers in the asbestos industry, has not yet been ratified by the Council, and what is the explanation for this delay?

Answer

The Council has already had occasion several times to reiterate the importance it attaches to the protection of workers exposed to dangerous substances at their place of work, and in particular to asbestos fibres.

Further to the replies given on the same subject to Questions H-671/82, by Mr Sherlock, and H-679/82, by Mr Collins, the Council would add that discussions on the proposal for a directive are proceeding apace and the Council will be called on to take a decision on this matter at its meeting on Social Affairs on 2 June.

* * *

II. QUESTIONS TO THE FOREIGN MINISTERS

Question No 24, by Mr Israël (H-834/82)

Subject : Meeting of the Palestinian National Council in Algiers (14-21 February 1983)

In the conclusion to their answer to Written Question No 1463/82, of 29 October 1982¹, the Foreign Ministers declared on 10 February 1983 that the Ten considered that a forthcoming meeting of the Palestinian National Council (PNC) might be of decisive importance for the future development of the situation in that region.

Since the meeting in question was held in Algiers from 14 to 21 February 1983, do the Foreign Ministers consider that it was of *decisive* importance for the future development of the situation in the region?

Answer

The Conference of the Palestinian National Council, in Algiers, did not come out clearly in support of the initiative of the US President, which, in the view of the Ten, offers a good chance of progress towards a peaceful settlement of the Palestine problem. None the less, it did not expressly rule out an extension of the negotiations on this basis.

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Question No 27, by Mrs Squarcialupi (H-71/83)²

Subject : Amnesty International report concerning thousands of people condemned to death in Iran

A recent Amnesty International report reveals that since the beginning of the revolution in Iran more than 4 500 people have been sentenced to death by courts and executed. They include forty-two adolescents, twelve pregnant women, an eleven-year-old boy 'who had been rude' to an Ayatollah, a student 'who smoked American cigarettes' and a thousand others found guilty of holding different views or of practising other religions, such as the Baha'i.

What do the Ministers intend to do, following this Amnesty International report, to break the silence and indifference to the plight of thousands of victims and to the constant violation of human rights in Iran, from torture to execution?

¹ OJ No C 62, of 7 March 1983, p. 4.

² Former oral question without debate (0-181/82), converted into a question for Question Time.

Answer

Ever since we began to receive reliable reports on human-rights violations in Iran, the European partners have taken a keen interest in this matter and have repeatedly expressed their concern over the serious violations of those rights in Iran. In particular, acting upon authentic reports on a large number of executions, they have on several occasions reminded the Iranian Government that it is its duty to protect human rights and rights to liberty.

The European governments have done their utmost, both in their bilateral relations with the Iranian Government and within the framework of international organizations, to assist the victims of human-rights violations and, above all, the minorities most affected. The initiative by the Presidency of 23 March 1983, in which Iran was asked to desist from its persecution of the Baha'i and, in particular, from the impending executions, was only the last so far of a long series of actions. On the multilateral level, there was the endorsement by the Ten of the resolution on Iran of the UN Human Rights Commission, adopted in March 1983.

The Ten were interested in the question of human rights in Iran long before Amnesty International published its report. This problem did not emerge only with the revolution and cannot be separated from the terrorist methods used by opponents of the government.

The Ten will continue to work to safeguard human rights in Iran.

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Question No 28, by Sir James Scott-Hopkins (H-14/83)

Subject: Self-styled 'peace movements' in the Community

Do the Foreign Ministers share my view that the self-styled 'peace movements' in the Community, whose aim is unilateral nuclear disarmament, make nuclear war more, rather than less, likely as a result of their desire to remove the most effective pillar of the deterrent defensive capability of those Community countries who possess nuclear weapons and thereby threaten the very existence of the Community itself?

Answer

The question as to whether the aims of what you describe as 'peace movements' make nuclear war more or less likely has not been discussed within the framework of EPC. As is well-known, the military aspects of security policy do not fall within the province of EPC.

Your question also touches on an aspect of arms control and disarmament with which the Ten are constantly concerned. The Ten take the view that it is urgently necessary to achieve, by means of specific arms control and disarmament agreements, substantial reductions, which must be balanced and verifiable. The hope that the present negotiations in this field, including the current round of talks on the limitation and reduction of nuclear weapons, will produce results in accordance with these criteria. A successful conclusion of these negotiations would mark an important breakthrough in nuclear disarmament and so fulfil the expectations of the international community.

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Question No 29, by Mr Penders (H-34/83)

Subject : Parliament's resolution on the situation in the Middle East

Have the Foreign Ministers discussed the resolution on the situation in the Middle East adopted by the European Parliament on 11 January 1983¹, and, if so, what action have they taken on the requests made in paragraphs 7, 12, 13 and 14 of that resolution?

Answer

The Foreign Ministers have examined with great interest the resolution adopted by the European Parliament on 11 January 1983 on the situation in the Middle East.

The paragraphs of the above resolution referred to by the honourable Member are in accordance with the views underlying the policy of the Member States in respect of the Middle East. The Ten are convinced that a lasting peace can only be achieved on the basis of the right to security of existence of all the countries of the region, including Israel, and of justice for all peoples, including the right to self-determination, in all its facets, of the Palestinian people. They call also for a renunciation of the use or threatened use of force. Consequently, the Member States have been doing all they can for many years, pursuant to Resolutions Nos 242 and 338 of the UN Security Council, to ensure that Israel ends her territorial occupation dating from the 1967 conflict.

* * *

Question No 32, by Mr Purvis (H-68/83)

Subject : National homelands created out of South African territory

What are the conditions necessary for diplomatic recognition by the EEC governments of the independent national homelands created out of South African territory (Transkei, Ciskei, Venda, Bophuthatswana)?

Answer

Decision on the diplomatic recognition of third countries fall within the exclusive competence of the Member States. None of the ten governments is at present contemplating the recognition of Transkei, Ciskei, Venda or Bophuthatswana.

The creation of bantustans on the basis of ethnic criteria is the key element in the policy of what is known as 'major apartheid', the aim of which is to deny the claim of black South Africans to full civil rights in the Republic of South Africa.

The declaration of such territories as 'independent' states is unacceptable to the Ten, who have repeatedly condemned this policy.

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¹ OJ No C 42, of 14 February 1983, p. 15.

Question No 33, by Mr Price (H-88/83)

Subject : Middle East

Will the President-in-Office state what initiatives the Ten intend to take in order to further the peace process in the Middle East ?

Answer

The obstacles in the way of a peace settlement in the Middle East lie less in a lack of plans than in the difficulty of translating these plans into practical policy. The efforts of the Ten must therefore be directed at helping the conflicting parties to overcome their problems and bring them to the negotiating table. This can be achieved by harmonizing and improving the existing plans in such a way as to make them acceptable to all sides.

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Question No 34, by Mr Van Miert (H-102/83)

Subject : The Lebanon

What steps have the Foreign Ministers meeting in political cooperation taken to implement the decisions to promote a rapid, negotiated solution to the Lebanese question reached at their meeting in Bonn on 1 March 1983 ?

Answer

The Ten are following closely the situation in the Middle East, particularly that in the Lebanon. Their most recent position on the Middle East was worked out at the meeting of the European Council of 22 March 1983. Attention is drawn in particular to the following conclusions of the European Council :

- The Ten demand the immediate withdrawal from the Lebanon of the forces of Israel, Syria and the PLO.
- The Ten consider such withdrawal to be a prerequisite for the restoration of the sovereignty and independence of the Lebanon. The Ten support the Lebanese state in its efforts to re-establish its sovereign rights over the whole of its territory.
- The Ten appeal to all the parties concerned to conclude the negotiations as quickly as possible.
- The Ten support the peace efforts of the United Nations (Unifil) and the multinational forces in the Lebanon.

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Question No 36, by Mr Kyrkos (H-123/83)

Subject : Statements by the United States Assistant Secretary of State Mr Burt

Two days before his visit to Athens, the American Assistant Secretary of State Mr Burt made anti-Greek statements in Ankara, with the result that the Prime Minister of Greece cancelled his meeting with him and passed him on to the Director of a Directorate-General in the Foreign Ministry.

Will the Foreign Ministers meeting in political cooperation take note of the disgraceful attitude of the Assistant Secretary of State, which concerns relations with a Member State of the Community and has a bearing on Greece's security problems ?

Answer

The Ten have not discussed this topic, and therefore I cannot answer your question.

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*III. Questions to the Commission**Question No 37, by Mr Davern (H-823/82)*

Subject: EEC aid for Irish TB testing in cattle

In view of the restriction placed on public service recruitment, the Irish Department of Agriculture is unable to implement the EEC's subsidy of IRL £ 2.5 million a year for a scheme of free pre-movement testing for TB and brucellosis in cattle. This scheme would have to be matched £1 for £1 by the Irish Government.

Would the Commission permit a percentage of the EEC allocation for this testing to be used by the Department of Agriculture to recruit people to carry out this necessary scheme, and if this is not possible what recommendations could the Commission put forward that would enable the Department of Agriculture to implement this scheme?

Answer

The Commission is unable to comply with your request, for two essential reasons:

- firstly, the regulation establishing the scheme to which you refer — namely, Council Regulation (EEC) No 1055/81 — is no longer in force, having lapsed on 23 April;
- secondly, and independently of this fact, the regulation allowed the use of Community aid solely for pre-movement testing for TB and brucellosis in cattle; it did not therefore permit the allocation of a percentage of the subsidy to staff recruitment.

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Question No 39, by Mr Gauthier (H-1/83)

Subject: Oil prices

In view of the current downward trend in oil prices and of the urgent need for appropriate proposals concerning EEC energy strategy, can the Commission indicate in what way and when it intends to take action on the European Parliament's resolution of 10 February 1983 on the OPEC Conference?

Answer

The Commission informed the Parliament, at the latter's sitting of 8 March 1983, of the action it intended to take on the resolution adopted by the Parliament on 8 February last. In particular, the Commission stated that it was intending to report to the Council and to the Parliament on the effects of the fall in oil-prices on the Community's energy policy and that it would propose, at the Council meeting on energy problems scheduled for 21 April, a preliminary exchange of views on the situation following the OPEC Conference of 14 March.

In the Commission's view, the beneficial effects to be expected from a moderate fall in prices on the economy in general should not lead us to overlook its effects on the situation regarding energy. There is nothing to justify a relaxation of the efforts being made to apply the strategy adopted by the Community and by Member States for eliminating our dependence on imported oil.

On the more specific question of producer-consumer relations, the Commission has always advocated a regular exchange of views between producers and consumers of energy. In the present circumstances, this open-minded attitude is, in the Commission's view, as well founded as ever.

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Question No 47, by Mr Lalor (H-533/82)

Subject: Coastal protection pilot projects

Will the Commission give assurances that it is examining or will examine in detail the funding of pilot coastal protection projects in the inter-service working group that it has set up as referred to by Commissioner Richard last June?

Answer

During the parliamentary debate which culminated in the adoption of the resolution on coastal erosion, I stated that the Commission would examine the scope for funding coastal protection pilot projects from the Community research budget. In the meantime, three submissions have been received by the Commission for financial aid for pilot projects. After detailed study by the departments concerned, it has been decided that it is not possible to fund these projects at the present time, since the environmental research programme as adopted by the Council does not have a section on protection against coastal erosion.

The advisability of and scope for financing pilot projects from the Community budget is one of the questions to be examined by the competent inter-departmental group. However, as I have already explained to the honourable Member, because of its priorities, the Commission is currently able to allocate no staff or at best only very few staff to this subject. You will understand, therefore, that I am unable to give any undertaking as regards a date when these matters will be examined.

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Question No 49, by Mr Adam (H-647/82)

Subject: German second energy research programme

It is reported that the Commission consider that certain aspects of the German second energy research programme are contrary to EEC Rules. What steps are the Commission taking to ensure that the implementation of the special energy development programme (COM(82)727) will not contravene EEC Rules?

Answer

The Commission refers the honourable Member to the answer to his Written Question No 1928/82.

* * *

Question No 53, by Mr Almirante (H-107/83)¹

Subject: Anti-pollution measures

Why is it that the EEC provisions on anti-pollution measures (EEC/78/176), which laid down that by 1 July 1980 all the Member States had to present general proposals to be implemented within six months of the presentation of a single draft to be made law through the European Parliament by 1987, have not been respected?

¹ Former oral question without debate (0-170/82), converted into a question for Question Time.

Two years have passed and not all the drafts have been submitted, thus penalizing those national firms which immediately implemented the anti-pollution measures by introducing expensive equipment.

Answer

1. Between 3 July 1980 and 15 October 1981, the Commission received from the Member States their programmes for gradually reducing and finally eliminating pollution from existing plants for the production of titanium dioxide. These programmes, submitted pursuant to Article 9(3) of Directive 78/176/EEC,¹ admitted of very little comparison and were sometimes incomplete.
2. According to Article 9(3) of this directive, the Commission is obliged to propose to the Council a directive on the harmonization of programmes for the reduction and elimination of pollution from titanium dioxide waste. This obligation it fulfilled on 18 April 1983.
3. The European Parliament will be consulted on this proposal as laid down in Article 9(3) of this directive.
4. As regards the competitive disadvantages alluded to by the honourable Member, it may be pointed out that the Commission's proposal of 18 April 1983 provides for the harmonization of these national programmes and *ipso facto* an equalization of the conditions governing competition in the production of titanium dioxide. This applies to both of the manufacturing processes commonly employed—i.e., whether the manufacture of titanium dioxide is based on chlorine or sulphuric acid, the proposal contains measures for the reduction and final elimination of solid, liquid or gaseous waste introduced into water or air.

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Question No 54, by Mr Marshall (H-38/83)¹

Subject: EMS and Economic Convergence

Can the Commission state how often members of the EMS have had to readjust currency rates since it was set up? Can the Commission indicate what impact the EMS has had in fostering economic convergence?

Answer

Since the introduction of the European Monetary System in March 1979, there have been seven readjustments of the pivot rates. The maximum changes in bilateral pivot rates in the four realignments made from October 1981 to March 1983 were 8,5%-10%.

The frequency and size of these readjustments indicate an insufficient degree of economic convergence between the countries of the Community. The Commission does believe, however, that membership of the EMS has been an important factor influencing economic policy in each Member State and making it more compatible with the policies of other Member countries than it would have been if the system had not existed. Membership of the EMS has prompted countries with high inflation rates to make greater efforts to reduce price growth and has even had a certain moderating influence in countries with a low inflation rate.

¹ OJ No L 54, of 20 February 1978.

² Former oral question without debate (0-177/82), converted into question for Question time.

The fact that pivot rate readjustments in the EMS are subject to mutual agreement — under a procedure covering all the countries participating in the exchange rate machinery and the Commission — has also been a positive element in the reduction of real divergences ascertained in the evolution of economic policies within the EMS. Indeed, every realignment procedure requires an in-depth examination of the economic situation of those member countries who wish to change their parities and, more particularly, the economic measures which they are proposing to take in order to encourage economic convergence.

* * *

Question No 55, by Mr Hume (H-799/82)

Subject: Commission response to Parliament's resolution on Community regional policy and Northern Ireland

Will the Commission state what has been its response to the proposals contained in the Martin report¹, adopted by Parliament in June 1981², on Community regional policy and Northern Ireland?

Answer

The Commission, as already indicated in its written answer to the Member during the March part-session, has forwarded to the Council a proposal for a regulation instituting specific urban renewal measures in Northern Ireland (Belfast).

This text is an alternative to a previous proposal which did not meet with the approval of the Council. That proposal, which provided for a specific housing improvement scheme as part of an integrated operation in Belfast, was an initial response to the concern expressed in the Martin report¹ and Parliament's resolution².

The present proposal was forwarded to Parliament on 25 April 1983 for an opinion, which should be delivered in June if possible, and to the Economic and Social Committee.

Its general object is the joint financing, together with national or local authorities, of a special measure extending beyond the possibilities offered by Community financial instruments in their present form and designed to contribute to urban renewal in Belfast with the aim of playing a more decisive rôle in the gradual solution of the socio-economic problems of Northern Ireland.

Its specific object is to provide a financial contribution to infrastructural projects necessary for urban renewal in the Belfast area. The Community resources allocated to this operation should amount to 100 m ECU for the period 1983-85.

In addition, as already announced in connection with its proposals for a second series of specific Community regional development measures under Article 13 of the Regional Development Fund Regulation (non-quota section)³, the Commission is continuing its examination of the possibilities of financing new specific measures in Ireland and Northern Ireland.

¹ Doc. 1-177/81, of 4 May 1981.

² OJ No C 172, of 13 July 1981.

³ OJ No C 15, of 19 January 1983.

It also intends to draw up an assessment of Community assistance to this region and to prepare, on the basis of its conclusions, and following the adoption of the regulation in question a more comprehensive and detailed response to Parliament's resolution.

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Question No 56, by Mr Simmonds (H-829/82)

Subject : Price structures for milk

In view of the divergence in payment and pricing for quality milk in Member States, will the Commission undertake a survey of the price structures in each Member State and their effect on the income of milk producers ?

Answer

It is a well-known fact that the price for quality milk paid to the producer varies from Member State to Member State, from region to region within a Member State and from dairy to dairy within the region. The reasons for this are many but it should be noted that the variations have diminished, mainly owing to the European Agricultural Policy and the general structural development — a policy and development which have been to the advantage of both producer and consumer. However, the Commission follows developments in both prices and producers' incomes, and Eurostat regularly publishes information on average monthly prices and incomes for each Member State and for the Community as a whole.

As for a survey of the effect of different milk-price structures on producers' incomes, the effect of this factor can hardly be isolated. The producer's income (nominal, real or personal) will depend on many other factors as well, and the Commission therefore has no intention at the moment of undertaking a survey such as that mentioned by the honourable Member.

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Question No 57, by Mr Purvis (H-6/83)

Subject : Alcohol distillation

In reply to my written question 1362/82¹ the Commission said it intended to avoid disturbances to the alcohol market and yet to make alcohol distilled from agricultural products competitive, by way of subsidy, with industrial alcohol. How can these aims be compatible ?

Answer

The wine regulation, in outline, provides for two categories of distillation — voluntary for which aids are granted, and compulsory, for which two possibilities are open to the distiller. For compulsory distillation the distiller can either receive aid or deliver the product to the intervention agency.

When the Commission sets the amounts of aid given for voluntary distillation, it must fix them in such a way as to enable the products to be sold. In carrying out its duties, the Commission will take care to avoid affecting competition with the other types of alcohol on the market. Also, when it sets the amounts of aid for compulsory distillation, it must bear two objects in mind : enabling the products obtained to be sold, and not disrupting the alcohol market and the market in spirits.

¹ OJ No C 58, of 2 March 1983, p. 5.

To enable the alcohol obtained by compulsory distillation and delivered to the intervention agencies to be sold these two aims must also be borne in mind. For these types of alcohol, the Commission intends in the very near future to propose to the Council a minimum selling price not below the lowest market price obtainable in the Community for ethyl alcohol of comparable quality distilled from agricultural produce. It would be possible to avoid any disturbance of non-agricultural alcohol markets in the Community.

If, however, this arrangement were to make it too difficult to sell these distilled products, appropriate measures would then have to be taken to enable them to be sold in sectors or places where there was no risk of disrupting the markets in alcohol and spirits produced in the Community (Article 40 (a), second subparagraph, of the wine regulation).

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Question No 58, by Mr Harris (H-10/83)

Subject : European Coastal Charter

Will the Commission provide details on the progress which has been made to date on the implementation of the European Coastal Charter and in particular the elements of the Coastal Charter Action Programme ?

Answer

The Commission would remind the honourable Member that the development of the peripheral maritime regions continues to be one of the prime objectives of the Community's regional policy.

It is in fact the purpose of the proposal for a revision of the ERDF regulation, at present being discussed in the Council, to step up the Commission's action to assist these regions. The non-quota section in particular — given more funds and a wider scope for action — could be of assistance to peripheral or island regions with serious problems.

As to the more specific question of the European Coastal Charter action programme, which was endorsed by the European Parliament in its resolution of 18 June 1982, I wish to emphasize that — in spite of the insufficient staff devoted to these questions — the Commission has made an especial effort to encourage the implementation of this programme. It has helped to start the programme adopted by the Peripheral Maritime Regions by financing a study which has made it possible to coordinate and expedite a number of measures provided for in the programme. I am thinking in particular of all the research undertaken in the Community on coastal development and protection and the participation of the Conference of Peripheral Maritime Regions in the European Campaign on Coastal Protection. The final report on this study will be made available to the regions concerned in time for the forthcoming plenary conference at St Malo in October.

Furthermore, the Commission has continued its work on coastal areas under its environment programme, in particular by preparing manuals on the integrated development of coastal regions and, more particularly, of sensitive environments such as lagoon ecosystems. There are also plans to test these manuals in the peripheral maritime regions with the collaboration of interested parties.

Lastly, on the question of Community financial aid, I should like to point out that, in addition to aid for regional purposes, the Community helped to fund some twenty projects from its 1982 budget for the protection of natural zones of Community interest. Half of these projects, which accounted for approximately 1 m ECU of Community aid, are located in peripheral maritime regions.

I should add, in conclusion, that we intend to continue supporting as far as we are able, the efforts of the regions to reconcile the aims of development and protection. Indeed, the objectives of the Charter coincide with those of the Community programme on the

environment, i.e., that every effort should be made — and this is especially important for regions lagging behind in their development — to promote an integrated development which preserves the environment and its natural resources; for, as we are all aware, natural resources not only constitute the basis for development but also determine its limits.

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Question No 59, by Sir James Scott-Hopkins (H-13/83)

Subject: CAP payments

When will the Commission take positive action to stop the apparant frauds being carried out by citizens of the Republic of Eire in the clandestine transportation of cattle and other livestock between Eire and Northern Ireland for the purposes of CAP payments?

Answer

The problem of illegal transfrontier trade already existed before the accession of the two Member States to the Community, and the Member States concerned have always tried to prevent smuggling.

Although under Article 8 of Regulation (EEC) No 729/70, the Financial Regulation, Member States are themselves mainly responsible for preventing and prosecuting irregularities which may lead to financial losses for the EAGGF, the Commission has supported these Member States by arranging approximately ten bilateral and trilateral special meetings in recent years with the aim of finding ways of preventing such irregularities in cooperation with the investigators of the two countries concerned and representatives of trade and industry. Following these meetings, the Commission has taken various measures together with the Member States, such as the adjustment of monetary compensatory amounts or of labelling specifications for pigmeat.

There will always be smuggling of this kind so long as market intervention measures are too divergent. This is why the Commission has adapted a market organization for such products by recently introducing a new intervention system for sheepmeat in Northern Ireland in order to reduce the incentive for the smuggling of sheep.

With these measures the Commission has done much to prevent irregularities in this sensitive sector. Of course it will remain alert and stay in close touch with investigation officers in the Republic of Ireland, Northern Ireland and the United Kingdom.

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Question No 61, by Miss Quin (H-31/83)

Subject: Comparison between wages of shipyard workers in South Korea and in the EEC

Can the Commission confirm that in South Korea shipyard workers' wages are only about one fifth of the level of average shipyard workers' wages in the European Community?

Answer

1. The Commission has no official source of data on the level of shipyard workers' wages in Korea. According to information it has received, particularly from representatives of employers and workers, a ratio of one to five between monthly wages in Korea and in the Community would represent an extreme case, the average gap being less, though still very considerable.
2. The difference in the levels of workers' wages in Korea and the Community is not, of itself, sufficiently representative to constitute an explanation of the difference in competitiveness.

Among the factors playing an important part in this connection, the following should be mentioned in particular :

- working hours in Korea : current weekly figures are 40 to 50 % higher than in the Community ;
- productivity : this appears to be higher in the Community ;
- economic and political climate : in Korea, shipbuilding is viewed as one of the foundations of the country's industrial development and, as such, finds it easier to obtain investment ;
- technical factors : Korean shipyards still depend to a considerable extent on foreign suppliers for the fitting out of ships, which makes it impossible for them to optimize their costs in that area.

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Question No 62, by Mr Hutton (H-42/83)

Subject : 1984 election information campaign

What plans does the Commission have for an information campaign for the 1984 elections for the European Parliament ?

Answer

On 11 February 1983, the European Parliament adopted Resolution Doc. 1-1058/82, on the information policy of the European Communities for the 1984 direct elections.

The Commission intends to follow the guidelines laid down in this resolution.

* * *

Question No 63, by Mrs Martin (H-45/83)

Subject : Imports of UHT milk into the United Kingdom

Does the Commission not consider that the discretion now allowed to the United Kingdom to lay down certain standards for the quality of imported UHT milk is incompatible with the decision by the Court of Justice of the European Communities of 8 February 1983 convicting that country of having imposed a system of prior individual licences for imports into its territory of milk and cream which have undergone ultra-heat treatment in another Member State ?

Answer

The decision of the Court of Justice on case No 124/81 condemned the British measures applicable to imported UHT milk with regard not only to the system of import licences mentioned by the honourable Member but also to national measures which virtually forbid the sale of the products concerned even in those cases where an import licence could be obtained.

The Court did not, however, decide that the United Kingdom was obliged to accept imports of UHT milk without imposing sanitary standards of whatever nature. It goes without saying that any standards imposed must conform to criteria laid down in this respect by the Court of Justice.

In addition, the Court laid down certain guidelines concerning guarantees required by the United Kingdom for imported UHT milk.

The Commission is in the process of finalizing its position on the detailed proposals made by the United Kingdom for conforming to the Court's decision, and will exert pressure on the United Kingdom authorities to ensure that an import system in conformity with the position taken up by the Commission is applied without delay.

* * *

Question No 64, by Mr Key (H-48/83)

Subject: Coal stocks

In 1977 the Commission proposed to the Council stocking aid which would have meant part financing by the Community of pithead stocks representing between one and two months' production for a period of three years. Would the Council be willing to consider such a new proposal and would they act upon it in 1983-84?

Answer

The honourable Member is correct in saying that in 1977 the Commission proposed to the Council that Community aid be granted to cover part of the cost of financing the high level of stocks held by producers.

At the time the Council did not approve this proposal, which would have entailed an additional annual cost to the budget of 50 m ECU for a period of three years.

The growing level of stocks held by producers, which at the end of 1982 had reached a record 50 m tonnes of coal and 14 m tonnes of coke, prompted the Commission to reconsider the idea of storage aid. In its working programme on solid fuels,¹ the Commission proposed a debate on the advisability of Community financing of cyclical stocks of coal. The discussions in the Council have not yet led to any definite conclusion.

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Question No 67, by Mr Halligan (H-65/83)

Subject: Community aid for small and medium-sized enterprises

What are the guidelines for the granting of loans and other aid to small and medium-sized enterprises; what importance does the Commission attach to the development of small and medium-sized enterprises in under-developed regions, and is there any provision for special measures in their favour in the under-developed regions of the Community?

Answer

1. I am pleased to see that Mr Halligan shares the interest of most of us in small and medium-sized enterprises. Since availability of adequate financing, offered on terms similar to those applied to large firms, is one of the main concerns of SME, the Community has so adapted its financial instruments as to meet the needs of the SME. As a general guideline, I can say that all the important sources of finance offered at Community level are open to SME. Loans from the European Investment Bank, the European Coal and Steel Community, the New Community Instrument and other less important sources are nowadays available to SME. If the honourable Member of the European Parliament wishes to be informed about the specific guidelines applied to loans from each of the above sources, he can find a detailed description of them in the document entitled 'Operations of the European Community concerning small and medium-sized enterprises and craft industry: A practical handbook', of which I shall be happy to provide him with a copy.

¹ Doc. COM(83) 54 final, of 9 February 1983.

2. With regard to the points which he has raised concerning the importance attached by the Commission to the development of small and medium-sized enterprises in underdeveloped regions and the provision of special measures in their favour, I would draw the attention of the honourable Member of the European Parliament to the fact that the Commission underlined the potential rôle that SME can play in reducing regional inequalities in its 'First Report on the social and economic situation of the regions of the Community' (COM(80)816 final, of 7 January 1981, p. 110). Subsequently, the Commission took steps to promote investment in infrastructure and in industrial activity for the less developed regions by channeling into SME a large part of the resources administered by the Regional Fund. A brief description of the schemes of assistance available to SME located in less developed regions of the Community can be found in the above mentioned 'Practical Handbook' (pp. 27 and 36) as well as in the documents published by the Regional Fund.

As regards the type of aid to be provided for the SME, the Commission feels that the 'traditional' aids to investment are no longer sufficient. They must be accompanied, or even preceded, by aid designed to improve the economic environment for the enterprises and the prospects of success for their investments: access to market information, management aids or aid for innovations, for example. These policies are already being applied under the non-quota section of the ERDF. They should be further developed with the adoption of the Commission's proposals for the revision of the ERDF, in particular, those provisions aimed at endogenic development of the regions.

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Question No 68, by Mr Patterson (H-69/83)

Subject: United Kingdom youth-training scheme

The United Kingdom Government is about to introduce its new youth-training scheme to give school-leavers foundation years of training and work experience. Can the Commission confirm that this scheme is fully in line with its own proposals in this field, and also that it will be eligible for support from the Social Fund?

Answer

1. The Commission welcomes the UK Youth Training Scheme as an important step towards the implementation of the notion of a 'social guarantee' as advocated by the Commission in its Communication on 'Vocational training policies in the European Communities in the 1980s'.¹ The UK scheme differs in some respects, however, from the Commission's proposals, which provide for direct access to training immediately after the end of compulsory schooling and a guarantee of a full two years of training for young people between leaving school and reaching the age of 25. Moreover, the Commission's ideas cover matters such as programme content, certification and guidance and information for young people, and on some of these matters it is not yet possible to judge the extent to which UK and Commission thinking will be in accord.

2. The Commission is at present examining whether and to what extent the schemes may be eligible for support from the Social Fund under its existing rules.

* * *

¹ COM(82) 637 final, of 21 October 1982.

Question No 69, by Mrs Castle (H-73/83)

Subject: Travel coach operators

Will the Commission institute an inquiry into the way in which the Federal German authorities discriminate against coach operators from other Member States by means of special road taxes on non-German coaches and by insisting on certification of coaches in Germany under the 'Tempo 100' Regulations in addition to the equivalent certification already obtained in the operator's own country, and will it take steps to end this discrimination by making a special trip to the Federal Republic of Germany to seek the revocation of this unnecessary certification requirement?

Answer

1. As regards the tax aspect of the question, the Commission is aware of no special road taxes charged at the German frontier on coaches from other Member States. I assume, therefore, that the tax to which the honourable Member refers is the VAT. In short, at the present stage of Community law the charge in question is lawful.

That said, the drawbacks of this charge at the frontier are obvious. For that reason, the Sixth VAT Directive provides that after the expiry of a transitional period, common rules will be adopted whereby passenger transport will be liable to VAT in the country of departure for that part of the journey taking place within the Community.

2. As regards 'Tempo 100', the Commission has been informed that under the present system both German and foreign motor coaches require a special permit to travel at 100 km per hour on German motorways; without such a permit coaches may not exceed their normal maximum speed of 80 km per hour, which applies on all other roads. The permit is only available at German road-traffic offices, including those in border areas; it is issued for each journey on condition the vehicle has certain technical features relating to braking, tyres, seating and engine power which ensure safety at the higher speed.

3. As from 1 August 1983, it is intended to replace this administratively complicated system by including in the Highway Code a maximum speed of 100 km per hour on motorways for motor coaches with a vehicle certificate attesting that their construction allows them to be driven at that speed.

4. Provided non-German vehicles can show that the vehicle certificates issued in their country contain such information, they will be allowed to travel at 100 km per hour on motorways and will only need to affix a sticker showing that speed to their vehicle.

5. The new system should solve the problem raised by the hon. Member. The Commission will keep in close touch with the Federal German authorities to ensure that a measure concerned with enhancing road safety will not result in any discrimination in practice for vehicles from other Member States.

* * *

Question No 70, by Mr Kirk (H-75/83)

Subject: Observance of the steel agreements between Sweden and the EC

Is the Commission aware that the Swedish side is not complying with the agreements reached between the Community and Sweden on prices in the steel sector?

Answer

The Commission is acquainted with the grievances of a Member State concerning not only the prices of steel products sold in the Community by Swedish firms but also increases in the quantities supplied. The Commission has conveyed these grievances to the Swedish authorities, with whom it has opened consultations as laid down in the Steel Agreement. The Swedish authorities have assured the Commission that they are carrying out a detailed inquiry in this industrial sector in order to establish the facts of the case.

It should be pointed out that the Steel Agreement does not lay down quantitative restrictions but, other things being equal, envisages a maintenance of the traditional trade flows with regard not only to alloys but also to regional distribution. It also lays down specific rules concerning price disciplines.

The consultations aim at finding a solution satisfactory to both parties.

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Question No 71, by Mr Lagakos (H-79/83)

Subject: Aid for flood victims in Katerini

On 18 November 1982, the European Parliament passed a resolution asking the Commission to act to help flood victims in Katerini, Greece.

Can the Commission say what action it has taken on that resolution and what steps it has taken to aid the flood victims in that region?

Answer

During the debate in the part-session of last November, the Commission indicated that, on the basis of information provided by the national authorities, it would study the possibility of providing urgent aid to victims of the recent floods in the region of Katerini.

In conjunction with the Greek authorities, the Commission examined this question in detail at the end of 1982. It regretfully found itself obliged to decide that the consequences of the events in question were not on a scale to justify calling upon the resources of Article 690 of the budget.

* * *

Question No 72, by Mr Donnez (H-80/83)

Subject: Urban by-pass financed out of the Regional Fund in the Nord-Pas de Calais region

As part of the capital road-building works provided for in the Nord-Pas de Calais road-building programme, the Commission, under the fourth *tranche* of aid from the ERDF (quota section) for 1982, gave approval to a project for the construction of an urban by-pass to motorway standards in the Nord department. Can it give details of this investment, stating where this by-pass will be built and the amount of the aid granted by the Community?

Answer

Under the fourth *tranche* of aid for 1982, the ERDF financed, in the Nord department, three investments forming part of the Douai northern by-pass.

The amount of the Community intervention entailed by this decision is 4 190 000 French francs, i.e., 30 % of the total authorized for work of this kind under the 1982 programme.

* * *

Question No 76, by Mr Walter (H-91/83)

Subject: Toxic and dangerous waste

Is the Commission prepared to submit to the Council immediate proposals for comprehensive Community control, on a provisional basis, of the transportation, interim storage and disposal of dangerous and toxic materials and waste which could take effect forthwith, i.e., before the Council reaches a final decision on the proposal for a directive submitted in January?

Answer

The Commission anticipates that at the next meeting of the Environment Ministers on 16 June 1983 the Commission's proposal for a directive of 10 January 1983, which seeks to ensure thorough checks on all transfrontier operations involving the transportation, storage and removal of dangerous wastes, will be adopted or that at least a basic decision will be arrived at whereby the proposal for a directive can be adopted at a subsequent ministerial meeting.

The Economic and Social Committee delivered its opinion on the proposal for a directive on 27 April 1983.

The Commission hopes that Parliament too will be able to deliver its opinion in good time so as to fit in with the Commission's timetable and to allow for the Directive's adoption before the summer recess.

The Commission attaches top priority to the prompt adoption and implementation of the January proposal for a directive. In the view of the Commission the submission of fresh proposals to the Council will not speed things up given the consultation procedures laid down by the Treaty of Rome.

Furthermore there already exist, by virtue of Directive 78/319/EEC on toxic and dangerous wastes, appropriate provisions for the transportation, storage and removal of dangerous wastes but not including the specifically transfrontier operations which are the subject of the January proposal for a directive. All Member States excepting Greece have since brought into force the principal provisions of Directive 78/319/EEC. There are, however, problems in respect of reports in accordance with Article 16, but I shall go into this in my answer to Mrs Weber.

The situation could be considerably improved if the Member States worked in a more cooperative spirit in producing their national legislation under Directive 78/319/EEC. In respect of transfrontier movements of dangerous wastes it might for instance be stipulated that copies of existing national permits be furnished speedily to the appropriate authorities in the country of destination and in the country of transit before the documents and procedures provided for in the directive proposal of 17 January come into effect. The Commission is aware that a number of Member States have already taken administrative and legislative action to strengthen checks on dangerous wastes on their territory. So there is definite movement towards an early adoption of the 17 January proposal and hence a solution of the problems raised by the honourable Member.

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Question No 78, by Sir Peter Vanneck (H-96/83)

Subject : Reform of the ERDF

In his reply to Oral Questions O-106/82 and O-128/83 ¹ Commissioner Giolitti indicated that the Commission was prepared to move gradually on certain aspects of the reform of the ERDF.

Where does achieving 'additionality' now stand in the Commission's list of priorities ?

¹ *Debates*, No 1-293, of 13 January 1983.

Answer

The principle of 'additionality' is a complex problem and it is extremely difficult to demonstrate that it is being implemented, as the Commission made clear in the sixth annual report on the European Regional Development Fund.

However, while the Commission is willing to modify certain aspects of the Fund to improve its effectiveness, it continues to regard additionality as a highly important and fundamental principle, not only in its quantitative but also in its qualitative sense.

The Commission takes the view that ERDF resources should constitute an addition to, and not a replacement for, national financial efforts for regional development. This means in practice that ERDF resources must either accelerate an investment programme already under way or stimulate new investment. This is the essential purpose of additionality which the Commission wishes to pursue. Nevertheless, given the present situation, characterized by restrictions on public expenditure, and the existing rules on the operation of the ERDF (e.g.: the financing of projects, the reduced endowment of the non-quota section), the implementation of this principle is meeting with some difficulties. For these reasons, the Commission has proposed a number of important amendments to the existing ERDF Regulation¹ to facilitate the implementation of the principle of additionality in the Member States. For instance:

- with the financing of programmes, rather than a large number of individual projects, the Member States could take account of ERDF resources — in general terms — when devising such investment programmes;
- the increase in the endowment of the non-quota section could improve the additionality of the ERDF, both quantitatively and qualitatively. A greater proportion of Community resources would thus be directed towards regional policies in which the Commission could take the initiative by proposing actions which would supplement national measures, not only in terms of finance, but also in terms of policy objectives;
- finally the proposed concentration of ERDF resources would have the effect of absorbing, by virtue of the principle of joint financing, an increasingly large proportion of national resources intended for the regions, for purposes corresponding to ERDF action.

The Member is surely aware of the difficulties surrounding the lengthy negotiations within the Council on the revision of the ERDF Regulation proposed by the Commission. One of the many reasons for these difficulties is that the Commission is not willing to accept a watered-down version of its proposal, designed to facilitate the application of certain fundamental principles such as additionality. I believe that this demonstrates clearly the degree of importance which the Commission attaches to the achievement of additionality.

* * *

Question No 79, by Mr Seligman (H-98/83)

Subject: Photovoltaic solar energy

Rapid progress is being made in the USA with the development of new photovoltaic technology, based on new materials such as amorphous silicon.

Will the Commission state how much money is being spent on Community research into this solar technology, which is of vital interest to developing countries and for the space programme?

¹ COM(81), 589, 26 October 1981 (OJ No C 336, of 23 December 1981).

Answer

In the second Research and Development Programme in the field of Energy, i.e., in the period 1979-83, the Commission has spent 15.9 m ECU on research and development with regard to photovoltaic generators.

In addition, there is the work done by the Joint Research Centre in testing photovoltaic panels (European Solar Test Institute laboratory (ESTI): 9 m ECU).

The Commission has also financed photovoltaic projects as part of the Lomé Convention (EDF, 3 m ECU) and as demonstration projects (1.1 m ECU).

* * *

Question No 80, by Mr Pearce (H-99/83)

Subject: Improvement of the system of Christmas butter

Has the Commission any evidence that the system of Christmas butter at the concessionary prices, put into operation at the end of 1982, resulted in consumers actually receiving the subsidy provided out of Community funds, and will it endeavour, if a similar scheme is operated in future, to take steps to ensure that the subsidy always does reach the final consumer and that disturbance of normal trade in butter sales is not unnecessarily caused?

Answer

The aim of the cut-price butter sales at the end of 1982 was to boost butter consumption by cutting the price to the consumer, without causing disruptions to normal sales of butter. The relevant regulation therefore provides that Member States shall fix a maximum retail prices for butter or make other arrangements with equivalent effect.

The results of the 'Christmas butter' campaign are not yet known, since special sales in some Member States continued until the end of March. Nevertheless, interim reports show that the consumer price reduction in most Member States was between 20 % and 30 %, and that these special sales, although temporarily displacing part of the sales of brand-name butter, did not cause any serious disruption to the market, despite the substantial increase in butter production during that period.

The Commission intends to draw up a report on the campaign and draw conclusions from it for use in any future campaign.

* * *

Question No 82, by Mr McCartin (H-103/83)

Subject: Oil prices

Recent investigations in Ireland have revealed that the price (excluding all taxes and retailer's margin) charged for petrol is £IR 0.20 per gallon higher than in Britain.

Has the Commission investigated the situation? Are the oil companies abusing their dominant position and are the Community competition rules being broken?

Answer

The Commission is aware that refining costs at the now state-owned Whitegate refinery, and distribution costs in the Republic of Ireland, are high in relation to United Kingdom costs. The Whitegate refinery is in fact being operated — as a matter of policy — at 50 % capacity and marketing companies are required to purchase the product output.

Prices in Ireland are set by the government at levels calculated to recover costs and to provide a margin of profit for the companies operating in the market. The tendency has been to charge a disproportionate share of costs to motor gasoline so as to help industrial competitiveness.

While the Commission is not carrying out any form of investigation in the sense of this particular question, it does keep aspects of oil marketing under continuous review and meets regularly with the appropriate experts from each Member State. As regards oil prices, the Commission's *Oil Bulletin* is published on a weekly basis. Data from this bulletin confirm the order of price difference noted in the question, but the Commission does not regard this difference in terms of either its extent or trend over time as inconsistent with the production and distribution cost situation just described.

With regard to the general situation of the refining and distribution industry in Europe, which has a direct bearing on this question, the Commission is preparing a new communication to the Council following its initial report of 29 October 1981.

* * *

Question No 83, by Mr Ryan (H-104/83)

Subject: EEC Red Cross Liaison Office in Brussels

Will the Commission agree to supplement national relief aid *via* the International Red Cross Society and assist in developing cooperation between national Red Cross Societies within the European Community?

Furthermore, will the Commission make especial efforts to ensure that Community funds expended on the purchase of goods for relief purposes are more equitably distributed among all Member States?

Answer

Since 1969, the European Community has been supporting the International Red Cross by providing food aid and emergency aid (Article 137 of the Lomé Convention and Article 950 of the Budget). It welcomes every effort to coordinate the work of the Red Cross Societies of the different Member States.

Requests from the various organizations (Red Cross and other NGOs) for emergency aid are not examined with a view to the equitable distribution of funds between Member States but according to their merits and particularly to the capacity to act swiftly and efficaciously in a given situation.

* * *

Question No 84, by Mrs Weber (H-105/83)

Subject: Toxic and dangerous waste

What means does the Commission have at its disposal to compel Italy finally to convert Directive 78/319/EEC¹, on toxic and dangerous waste, into national law; what steps does it intend to take immediately, and if none, why?

Answer

By its decision of 17 February, the Commission has already introduced treaty infringement proceedings against Italy for failure to implement Directive 78/319/EEC. As a result, Italy has since incorporated the directive in question into national law. The Italian legislation implementing the directive came into force on 25 December 1982.

¹ OJ No L 84, of 31 March 1978, p. 43.

The Commission is currently examining the Italian implementing legislation to ascertain whether it complies fully with the provisions of Directive 78/319/EEC. Moreover, the Commission will insist that all Member States, with the exception of Germany, the United Kingdom and Luxembourg, submit the report referred to in Article 16 on the situation concerning disposal of toxic and dangerous waste and forward to the Commission the disposal plans provided for in Article 12. It is now my intention to propose that the Commission bring proceedings under Article 169 against Member States which, after reminders, still fail to comply with their obligation to provide reports.

* * *

Question No 86, by Mr Eyraud (H-109/83)

Subject : Agri-foodstuffs contracts between the USA and Egypt

On 10 March 1983, Parliament adopted a resolution calling on the Commission to take a harder line with the USA. All it has done so far is to bring the matter before the GATT committee with a view to reaching some measure of agreement. Meanwhile, the USA is continuing its 'aggressive export policy' by negotiating a further agreement with Egypt covering 25 000 tons of butter and 12 000 tons of cheese.

The Commission appears to prefer to disregard these negotiations, even going as far as to assure Parliament that they were only 'rumours'. Will the Commission at last decide to take the action called for by Parliament on 10 March 1983? Will it now respond to the USA's aggression with equal force?

Answer

1. The Commission would point out that under the provisions (negotiated at the last Tokyo Round) of the Code on subsidies and countervailing duties, it held consultations with the USA. By way of compensation for the injury caused by US wheat sales to Egypt it claimed 30 million dollars from the United States.

Such consultations are a normal stage in GATT procedure. Following these consultations, the results of which were unsatisfactory, the Community opened the conciliation procedure (second stage) before the Subsidies Committee. It is possible that after the discussion before the Committee the Community will ask for the difference on this question to be dealt with by a Special Group with a view to formal condemnation of the United States.

2. Furthermore, the Commission uses all the means at its disposal to keep itself informed from day to day of the commercial contracts which the United States enters into with other States to supply them with food products.

In this connection it followed the recent visit by the Secretary for Agriculture, Mr Block, to a number of countries of the Middle East. It asked the United States for information on the type of sale that might result from the visit. It received neither confirmation nor denial of possible sales.

Having learned from other sources that a sale of American dairy products was being envisaged, it again firmly drew the United States' attention to the serious repercussions that sales on special terms could have for its relations with the Community.

The Commission pointed out to the United States that Egypt was a traditional market for its dairy products and that a sale on special terms could lead to an escalation.

3. Finally, the Commission assures Parliament that it is ready to react with the greatest firmness if the United States again uses subsidized sales to take over traditional Community markets.

* * *

Question No 88, by Miss Hooper (H-115/83)

Subject : Commission information offices

What arrangements exist within the Commission to notify the Information Service and Commission Information Offices in the Member States of the participation by Commissioners and other Commission officials in conferences, seminars and other meetings throughout the Community?

Is there any chance of co-ordinating the information about such visits for the benefit of Members of Parliament with constituencies or with interests in special topics and in order to maximize the opportunity for publicizing Community activities generally and distributing literature to target audiences?

Answer

There are arrangements at the Commission whereby Commissioners travelling in their official capacity in the Member States are recommended to inform beforehand the Press and Information Office of the Member State visited.

These arrangements also provide that Members of the European Parliament with a particular interest in the region visited should in such cases also be informed in advance whenever this is possible.

* * *

Question No 89, by Mr Kyrkos (H-117/83)

Subject : Discrepancies between Greek and Commission calculations of increases in agricultural incomes

According to Commission estimates, agricultural incomes in Greece increased by 4.3 % in real terms during 1981 and by 5.8 % in 1982. In contrast, according to calculations made by the competent Greek authorities, these increases were considerably lower. Would the Commission inform Parliament as to how the above increases were calculated, so as to explain the considerable discrepancy between the Greek and the Community figures?

Answer

The quoted percentage rates of change in real agricultural incomes in Greece of + 4.3 % in 1981 and + 5.8 % in 1982 relate to changes in the real net value added at factor cost in agriculture per unit of agricultural labour input.¹ These estimates are macro-economic data which have been compiled within the conceptual framework of the Economic Accounts for Agriculture, which form part of the European System of Integrated Economic Accounts.

Estimates of the rate of changes in *nominal* net value added at factor cost and for labour input were submitted to the Statistical Office of the European Communities (SOEC) by the appropriate administrative departments of the Member States, including Greece. These *nominal* percentage rates of change produced by the Greek statistical services have been deflated in the SOEC by the implicit price index of gross domestic product at market prices (price index of GDP) to arrive at *real* percentage rates of change. For the 1982 estimate, forecasts made by the Commission for this deflator were used. The deflator used for 1981 refers to official GDP national accounts data submitted to the SOEC by Member States.

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¹ These results reflect the situation as seen at 11 February 1983.

Question No 90, by Mrs Lizin (H-116/83)

Subject: Commission preliminary draft regulation (EEC) concerning the application of Article 85 (3) of the EEC Treaty to categories of agreements relating to the distribution of, and before- and after-sales services for, motor vehicles

Can the Commission say what stage has been reached in the work on the preliminary draft regulation relating to this matter and when it expects this regulation to be considered and adopted?

Answer

Following very detailed consultations on the preliminary draft, a draft regulation on automobile contracts will very shortly be published in the Official Journal of the European Communities. The technical preparations for publication could take a further two to three weeks. The Commission is thereby introducing the second procedural round. All those affected by the future regulation will have the opportunity of commenting on the draft. Because of the complexity of the matter and the different interests of the various groups affected, the Commission will allow an appropriate period to enable them to define their position.

In parallel with this consultation procedure the Commission will report to the European Parliament and the Economic and Social Committee both on the draft and on opinions submitted to it. In this way it seeks to ensure — as in discussion of the preliminary draft — that all interested circles are thoroughly involved.

It would seem premature to give details of the date of entry into force of the regulation. The progress of the procedure will be heavily affected by the number and size of opinions to be given. At all events the Commission will endeavour to ensure the smooth and thorough implementation of this important legislative procedure.

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Question No 91, by Mr Petersen (H-119/83)

Subject: Groundwater pollution

It is a scientifically accepted fact that the large-scale use of artificial fertilizers in agriculture can lead to ground-water pollution.

Does the Commission have any knowledge of ground-water pollution in the various Community countries? If so, how serious a danger is it? If not, will the Commission initiate an investigation?

Answer

The Commission attaches very great importance to the protection of ground-water against pollution. It recalls that Directive 80/68/EEC on the protection of ground-water against pollution by certain dangerous substances has been in force since 26 January 1980.

With a view to obtaining better information on this resource, investigations aimed at assessment of the quality of drinking water have been taking place for several years. Special mention should be made of the extensive investigations into the ground-water resources of the European Community. The results of the first phase, published a short while ago, contain geographical and economic data and a conspectus of available amounts. The second phase which is currently underway should provide information on the vulnerability and geological properties of water-bearing strata. In determining geological properties, several parameters as well as a choice of chemical compounds and combinations of ions, including also nitrogen compounds, were taken into account.

Special attention was paid to the effect of artificial fertilizers on the quality of ground-water. Excessive use of artificial fertilizers can cause nitrates to be leached out into the ground-water. Moreover, this is not confined to artificial fertilizers; liquid manure can have similar effects.

Because of these considerations the Commission already felt it necessary, when presenting its 1978 proposal for a directive on the protection of ground-water to include nitrates in the list of dangerous substances. It was intended that its introduction into the ground-water should be subject to strict control by the Member States. The Council did not take up this part of the Commission's proposal. When it adopted the directive in December 1979 it called on the Commission to carry out more detailed studies to examine more closely the problem of nitrates.

These studies will be completed during the third quarter of 1983. They will provide a survey of the concentration of the different dangerous substances. In the case of nitrates, a concentration of 50 mg/litre is regarded as the point at which treatment becomes necessary.

If the results of the investigations referred to seem to point to the need for better protection of ground-water, the Commission will not hesitate to return immediately to its 1978 proposal and to include nitrates in the lists of dangerous substances.

* * *

Question No 92, by Mr Adamou (H-120/83)

Subject: Protecting the poultry-farming sector in Greece

Poultry-farming in Greece is threatened by ruin owing to strong competition from the EEC countries. A specific current example is that eggs to the value of 50m drachmas and 5 000t of frozen chickenmeat have been imported from the Community despite the fact that egg and poultry production in Greece exceeds consumer demand (cooperatives and private enterprise have stocks of 3 000 t of frozen chickenmeat and eggs to the value of 20-30 m drachmas).

The tremendous difficulties in finding market outlets for Greek poultry-farming produce owing to the EEC also severely hinders modernization in this sector and any improvement in productivity.

In view of this situation, does the Commission propose to take measures to deal with the above problem and, more generally, to protect the Greek poultry-farming sector and improve its competitiveness?

Answer

Taking account of the information at present available on external and wholesale trade in the products concerned, the Commission cannot share the views expressed by the honorable Member of Parliament as regards the impact of intra-Community trade on the situation of the egg and poultry markets in Greece.

For the egg sector, imports from other Member States are still of very limited importance (in 1982, only 20 t of eggs and egg products were imported, as against an annual Greek production of some 120 000 t), with the possible exception of albumin, where, however, trade figures comprises ovalbuain and lactalbumin. Besides, falling wholesale prices since the beginning of the year might rather be attributed to rising national production, following increased layer-chick placings during the first half of 1982.

Concerning *chickens*, imports have risen to 2 340 t in 1982, which amounts to about 2 % only of consumption. Wholesale prices show a steady rise and were, in March 1983, 20 % higher than a year ago.

As in other Member States, increasing stocks of poultry products are signs of the actual critical situation of these markets. Given the liberal set-up of the common market organization for eggs and poultry-meat (no intervention measures nor guarantee prices), it is the industry itself which is called to bring production in line with stagnating demand. Whether in the case of Greece, particular bottlenecks in the marketing systems for these products exist and hinder a rapid adjustment could only be ascertained after further studies into the structure of the Greek market, which the Commission would be ready to undertake in close cooperation with the national authorities and industries.

* * *

Question No 93, by Mr Alavanos (H-121/83)

Subject : Protection of Greek immigrants' rights in the Member States of the Community

By its decision in the case of Anastasia Peskeoglou *v.* the West German authorities for their refusal to grant her a work permit, the European Court of Justice ruled that the fact of Greece's accession to the Community does not permit a Member State to implement less favourable measures after 1 January 1981 than had applied previous thereto for granting a work permit to a Greek citizen.

What action does the Commission intend to take to protect Greek immigrants from the West German Government's recent anti-immigrant measures in all spheres, not only the refusal to grant work permits but also as regards Greek immigrants' living and working conditions in general, e.g. reunion of families, residence permits, the right to education, etc., which run counter to the letter and the spirit of the above ruling? What action will the Commission take to ensure that all Member States comply with the letter and the spirit of this ruling?

Answer

I am grateful to the honorable Member for drawing attention to the ruling of the European Court of Justice on case 77/82, which upheld the Commission's opinion that the new, more restrictive measures dealing with the issue of work permits could not apply to Greek workers already resident in the territory of the Federal Republic of Germany.

As far as the protection of Greek migrants' rights is concerned, the Commission has already agreed with the Member States on the correct application of the transitional provisions governing the free movement of Greek workers within the Community.

However, the Commission will draw the attention of the Member States to the extent of the Court's ruling at the next meeting of the Technical Committee, composed of Member States' representatives, on free movement within the Community. The Commission will stress the value of the Accession Treaty provisions as a standstill clause, in the sense that Member States are obliged not to apply to Greek nationals more restrictive measures than those in force at the date of Greece's accession.

Finally, in exercise of the powers conferred on it by Articles 155 and 169 of the EEC Treaty, the Commission takes action against any infringement of Community law which comes to its notice.

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Question No 94, by Mr Megaby (H-124/83)

Subject : EEC Commissioner

To what extent is it permissible for any single EEC Commissioner to act within the Commission as an agent of outside private interests ?

Answer

The Treaty stipulates that Members of the Commission shall, in the general interest of the Communities, be completely independent in the performance of their duties and that in the performance of these duties they shall neither seek nor take instructions from any Government or from any other body.

These obligations have never been violated.

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Question No 95, by Mr Collins (H-125/83)

Subject : Oxfam publication *Bitter Pills* concerning the export of medicines to the Third World

Has the Commission had an opportunity to read the Oxfam publication *Bitter Pills* concerning the export of medicines to the Third World? Does the Commission agree with the aims of the Oxfam campaign, and will they say what action they propose to take to give it support ?

Answer

The Commission has recently learned of the existence of a book written for Oxfam by a private author and entitled *Bitter Pills*, which deals with the exportation of medicines to the Third World. It has not yet been possible to assess this extensive publication fully.

The Commission has often given its view on the subject broached here by the honourable Member. I refer, for instance, to the reply to Written Question No 2173/82, by Mr Seefeld, and to my statements in the debate on the report by Mr Deleau on the production and use of medicines in the Community, during Parliament's April 1983 part-session.

I would like to take this opportunity to remind the House that, under a Community directive of 1975, all medicaments, including those intended for export, must have a production permit, and the supervision of production is the responsibility of national health authorities. Third countries have the possibility of demanding a certificate of quality from the exporting producer country; this certificate has been introduced precisely for export purposes by the World Health Organization. Consequently, the best guarantee that third countries can have regarding quality, safety and efficacy is to import those medicines which are permitted to be sold in the European Community and which have a quality certificate from the World Health Organization.

Certain medicines, such as those used for tropical sicknesses, are not normally found on the Community market since the illnesses concerned hardly occur here, if at all. The decision to import such medicines is the sole responsibility of the authorities of the third country concerned. It would not be compatible with the principle of these countries' own responsibility if the Community were to try to prescribe which medicines they should acquire and in what form.

At the same time, it will never be possible to exclude completely the illegal trafficking of non-permitted medicines. This is a problem for the Community as well as for importing third countries. The only remedy for such practices is improved supervision by the authorities, including the imposition of effective penalties.

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Question No 96, by Mr Pattison (H-129/83)

Subject: Harmonization in laws and practices on the length of the working week, and annual paid holidays

Will the Commission state what the position is in relation to the harmonization of the length of the working week in the Member States, and also relating to provisions for paid annual holidays; in particular, will it state whether it is satisfied that the Council Recommendation on the principle of the 40-hour week and the principle of four weeks' annual paid holiday¹ is being implemented fully in all sectors of employment, in all Member States?

Answer

1. The Council Recommendation of 22 July 1975 on the principle of a 40-hour week and the principle of four weeks' annual paid holiday had been very largely implemented in Member States by the date provided for viz., 31 December 1978. The principles have also been applied by Greece, following accession to the Community.
2. The Recommendation, however, relates only to the normal working week (the period to which overtime provisions do not apply) and does not apply to 'certain sectors and activities because of their special nature' or to 'staff subject to public law', or, in Member States where this concept is unknown, to staff in an equivalent position.
3. The Recommendation has been supplemented in the case of the arable and livestock sectors of agriculture by two Recommendations on Harmonization of the Hours of Work providing for a 40-hour working week and a four weeks' annual holiday for arable sector workers by March 1982, and for livestock workers by December 1983.
4. Implementation of the Council's Recommendation represents a limited, but significant, contribution to the harmonization of working time, both in the context of the improvement of living and working conditions and in the context of avoiding imbalances in the conditions of economic competition between Member States. While these objectives remain entirely valid, the focus of the Commission's present work on the question of working time is on combating unemployment through the more equitable distribution of available work.

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Question No 98, by Mr Treacy (H-131/83)

Subject: Dumping of 'Seveso Waste' off the Irish Coast

Is the Commission aware of the plans to dump the 'Seveso Waste' in the Atlantic, only 370 nautical miles off the Irish coast; will it call for the immediate cessation of such dumping, with its terrifying implications for human health and life, and the marine environment, and state whether the measures at its disposal under the various Directives² are adequate to deal with the situation immediately and, if not, what other measures it disposes of, or plans, to deal with this horrendous problem?

¹ Recommendation No 75/457/EEC, OJ No L 199, of 30 July 1975.

² Directive No 78/319/EEC on toxic and dangerous wastes, OJ No L 84, of 31 March 1978, p. 43; Directive of 4th May 1976 on pollution caused by dangerous substances in the aquatic environment, OJ No L 129, of 18 May 1976, p. 23; and Directive on waste from the titanium dioxide industry, OJ No L 54, of 25 February 1978, p. 190.

Answer

The Commission knows of no plans for dumping the Seveso waste off the Irish coast in the Atlantic.

In fact the dumping of waste at sea is subject to the provisions of the conventions of London and Oslo and the national implementing provisions of the signatory States to these conventions.

Under the provisions of the Oslo convention, the permission of competent authorities is required for the dumping of waste at sea. After it has taken place, the dumping is notified to the secretariat of the convention, which in turn informs the signatory States.

Under Article 5 and Annex I of the Oslo convention, the dumping of organic halides at sea — and this includes the dioxin-contaminated Seveso waste — is absolutely forbidden !

The Commission would point out to the honourable Member that at the present time, with one exception, the European Community itself has no legal instruments in regard to the disposal of dangerous waste at sea in order to be able to take any action in the case of dumping of the Seveso waste in the Atlantic or at sea generally.

Only in one particular area of waste disposal — namely, for waste from titanium dioxide production — is there a special regulation at Community level (Directive 78/176/EEC, OJ L 54 of 25 February 1978), which extends amongst other things to the introduction of this waste into the sea. This Directive cannot be applied, however, to the case of disposal of the Seveso waste at sea.

The Directives 78/319/EEC on toxic and dangerous waste and 76/464/EEC of 4 May 1976 on pollution caused by dangerous substances in the aquatic environment, which have been referred to by the honourable Member, similarly provide no legal measures against dumping of the Seveso waste at sea, since neither of them cover the problem of the introduction of *waste materials* into the sea.

As long ago as the mid-1970s the Commission recognized the need for urgent action and in 1976 submitted to the Council a proposal for a directive on the dumping of waste materials at sea. The object of the proposal is in particular to achieve harmonization of the national implementing provisions of the conventions of London and Oslo, in which there are sometimes considerable differences, particularly as regards the policy of authorization and taxation for the introduction of waste materials into the sea. This proposal for a directive has, however, so far not been adopted because of resistance by the Member States. The Commission is concerned to resume the consideration and adoption of this proposal for a directive and at the same time achieve the accession of the Community to the Oslo convention. The question by the honourable Member provides it with further arguments for pursuing this objective vigorously.

* * *

Question No 99, by Mrs Gaiotti de Biase (H-136/83)

Subject : Yugoslavia

At the end of April, the President of the Federal Council of Yugoslavia held a series of meetings with the Commission.

Does the Commission not think it should inform Parliament, which has always taken a keen interest in the cooperation agreement, of the progress and outcome of these meetings ?

Answer

On 28 April, the Commission did in fact receive Mrs Planinc, President of the Federal Executive Council of Yugoslavia, who was on an official visit to the Commission accompanied by the responsible Minister and Deputy Minister.

Mrs Planinc held discussions with President Thorn and Vice-President Haferkamp and attended a working meeting of the College of Commissioners.

The discussions covered the state of international relations and the prospects for cooperation between Yugoslavia and the Community. It was the first time that a Yugoslav Head of Government had visited the Community, and Mrs Planinc stressed the extent to which her government felt it necessary to make the trip and to hold discussions at political level.

Mrs Planinc explained the economic situation in her country and the main lines of the stabilization programme established during her tenure of office. She also summarized the major policy goals of her country.

The Commission and Yugoslavia exchanged views on the state of international relations and referred to the outcome of the last Summit of Non-Aligned Nations in New Delhi, the Ministerial Conference of the Group of 77 in Buenos Aires and the preparations for the VIth Unctad, which will be held in Belgrade. They noted the desire to work to promote the North-South dialogue.

With regard to EEC-Yugoslavia relations, the discussions dealt with both trade relations and the establishment of cooperation. Both sides welcomed the fact that the implementation of the commercial part of the agreement had had a beneficial effect on trade. Nevertheless, Mrs Planinc called for freer access to the Community market for Yugoslav products and particularly insisted on the need to find a stable and long-term solution for Yugoslav meat exports.

In the field of cooperation, Mrs Planinc stressed the need for cooperation with the Community as a means of supporting the economic development of her country. Yugoslavia wished to restructure its economy with a view to eliminating bottlenecks and to undertake the structural changes required to reduce its external deficit.

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IN THE CHAIR : MR DANKERT

President

(The sitting was opened at 10 a.m.)¹

1. *Statement by the President*

President. — Before embarking on our business, I owe an answer to Mr Hord. He submitted to me a question in writing concerning the decision taken yesterday by Vice-President Klepsch to refuse a motion to refer the Dalsass report back to committee. I must ask Mr Hord to accept Vice-President Klepsch's decision which, in my view, is perfectly correct and in conformity with the Rules. Rule 85(1) states: 'referral back to committee may be requested by any Member at any time'. However, the interpretation of this rule given by our Committee on the Rules of Procedure and Petitions and approved by Parliament in accordance with Rule 111 stipulates that 'a request for referral back to committee may be

made at any time during the debate before final voting begins'. In these circumstances a motion to refer a report back to committee could not have been tabled before the debate on the report was opened, and that is why Vice-President Klepsch ruled that the motion to refer back to committee was inadmissible.

On the other hand, Vice-President Klepsch has submitted to Parliament, in accordance with the instructions he received from the enlarged Bureau, a proposal to amend the agenda pursuant to Rule 56(2). This proposal was approved and the Dalsass report was consequently deleted from the agenda of this part-session. I would say to Mr Hord that if the Dalsass report appears on the draft agenda for the next part-session, referral back to committee can then be proposed by any Member during the debate. It is also possible, on the basis of a request handed in one hour before the opening of the Monday sitting, for his group to request referral back to committee as the report can then be deleted from the agenda.

Mr Hord (ED). — Mr President, I am grateful to you for your ruling on the decision taken by Vice-President Klepsch yesterday. All I would say is that as a Member of this House bound by the Rules it seems to me that Rule 85 to which you were kind enough to refer is very specific. I am disappointed that our Rules are so complicated that they do not mean what they say. You are now suggesting that there is a series of conditions governing the application of Rule 85(1), so

¹ *Approval of Minutes — Transfers of appropriation — Motions for resolutions (Rule 49 of the Rules of Procedure): see Minutes.*

Hord

that Rule 85(1) does not mean what it says. In these circumstances I believe that our Rules are letting the House down, and it seems to me that the time is overdue for them to be revised so that each one of us knows how to conduct our business as Members.

Lord Harmar-Nicholls (ED). — I would like to reinforce the point that Mr Hord has just made, because it may affect the proceedings in future. I fail to see how a footnote can alter the real meaning of a rule as specific as Rule 85. It is quite specific, and it is the rule to which we ought to adhere. The footnote merely gives power of discretion to the Chair under certain circumstances, but those circumstances did not exist on this occasion. If you find it possible, Mr President, I would like you to rule that this does not set a precedent whereby any of the rules can be altered by the application of a footnote. On this occasion your final words do seem to indicate a satisfactory way out of this problem. You have said that we can move at the June part-session that it be referred back to committee if we so wish. That is a rather sensible way of solving this particular conundrum. It does not, however, alter the fact that we have now on the record a ruling which is not in accordance with our procedures and our Rules, and I do not think that ought to set a precedent for the future.

President. — Lord Harmar-Nicholls, I have to say that the ruling I have given is a repetition of earlier rulings confirmed by an interpretation of the Committee on the Rules of Procedure and Petitions. Mr Prout does not seem to agree with me, so I give him the floor.

Mr Prout (ED). — Mr President, I had the advantage of being present at the meeting of the Committee on the Rules of Procedure and Petitions which interpreted this rule and I confirm that Lord Harmar-Nicholls' own interpretation is identical to the one expressed by the committee.

I can see where the difficulty has arisen, because it looks as if this interpretation limits the original wording of the rules. In fact it is not intended to limit the original wording. It is intended to explain a complication which arose in the House about a year ago when a Member asked for referral back before the end of the debate. His right to do that was contested, and the Committee on the Rules of Procedure and Petitions simply confirmed that he could do that. It illustrates one aspect of the general rule, it is not intended to limit it. That is precisely the point that Lord Harmar-Nicholls made.

President. — If that were so, Mr Prout, I think the interpretation of the Committee on the Rules of Procedure and Petitions should have been a bit clearer than that set out under Rule 85(1).

Mr Purvis (ED). — Mr President, as the person who originally tabled this motion — and I find it utterly

confusing, not being an expert on the Rules — would it be a good idea to ask the Committee on the Rules of Procedure and Petitions, yet again, to look at this whole question and to come back with a further clarification of the situation?

President. — I would not have the slightest difficulty in doing so. However, I think it would become a little difficult if the Rules of Procedure contained an interpretation followed by an interpretation of the interpretation. But, since the problem has arisen, we could ask the Committee on the Rules of Procedure and Petitions to interpret its interpretation.

(Laughter)

2. Topical and urgent debate

Poland

President. — The next item is the joint debate on three motions for resolutions on Poland:

- motion for a resolution (Doc. 1-299/83), tabled by Mr Donnez and others on behalf of the Liberal and Democratic Group, on aid to Poland;
- motion for a resolution (Doc. 1-304/83), tabled by Mr Habsburg and others on behalf of the Group of the European People's Party (CD Group), on the situation in Poland;
- motion for a resolution (Doc. 1-326/83), tabled by Mr Glinne and others on behalf of the Socialist Group, on repression in Poland.

Mr Gawronski (L). — *(IT)* Mr President, our Group can only approve of and support the joint motion for a resolution on the situation in Poland. We in this House have concerned ourselves many times with this country since it fell into the hands of the military, and on every occasion — unfortunately — we have been forced to acknowledge that nothing has changed: arrests are still being made, and even in the last few days acts of repression have caused yet more deaths. This very morning, the funeral of the student beaten to death by police is taking place in Warsaw.

The responsibility for all this — I have said this several times to this House and I say it again — appears to me to lie not so much with Jaruzelski as with those in power in Moscow. As long as nothing changes inside the Kremlin, there is little hope for Poland. It is at the Soviet Union above all that we must level our accusations. This is precisely what Lord Bethell so rightfully did — and with great clarity — the other day with his report which we adopted.

This situation of stalemate and tension is bound to continue in Poland, because Jaruzelski is more interested in controlling his country than in consensus and dialogue, to satisfy firstly the demands of Brezhnev and secondly those of Andropov. The authors of the motion for a resolution are entitled, therefore, to express their indignation, level accusations and launch appeals.

Gawronski

Experience shows — unfortunately — that our motions for resolutions, the documents on which we vote, have very little influence on the behaviour of those in Moscow and Warsaw. That is why we in the Liberal and Democratic Group, while we approve of the more politically-orientated motion for a resolution — in the form of an amendment by three groups — have nevertheless tabled a more practical one, of whose enormous importance I should very much like to convince you, since we hope it can influence the behaviour of the Commission and the Council. The aim of our motion for a resolution is to give practical support to the Polish people, by helping to satisfy its material needs — since we are in a position to do so little about their other needs — and I assure you that these material needs are just as pressing today as they were yesterday, if not more so.

Our aim is to convince the Member States of the Community to authorize the posting by private individuals of parcels containing foodstuffs, clothing and medicines to Poland free of charge. This idea was first brought up in our amendment to Mr Deschamps' motion for a resolution last October, but up to now has remained a dead letter at the European level.

The idea had already been tried out following independent decisions in two countries, Germany and Italy, where it was an enormous success. In Germany, the postal authorities found they were obliged to employ an extra 200 people to cope with additional traffic. During the four-month period when this concession was applicable in Italy, 200 000 packets, each weighing about 20 kilos, were despatched.

This exercise costs money of course, but the funds spent in financing the free sending of parcels by post are more than tripled by private contributions when they arrive in Poland. It is a matter of psychology: the Germans and the Italians, knowing that they can send food and clothing to Poland free of charge and without any formalities, have gladly cleared out clothes they no longer wear or have gone out and bought the staples which the Poles need.

The material aspect is not the only one. A few days ago, a Brussels official was complaining — and quite rightly — about having received so little in the way of thanks from Poland for aid sent by the Commission. It is, however, difficult to write a sincere letter to a body or organization. But can't you imagine, on the other hand, the thousands of personal letters of thanks, that have been sent, the intense correspondence and the pen-friendships that have flourished between the senders of parcels and their recipients in Poland both during and after the period in which this experiment was taking place in Italy?

If our objective is not just to aid those in trouble but also to achieve mutual understanding and awareness between peoples, our motion for a resolution is an important contribution, and for that reason I ask you

not just to vote for it but to ensure that it is also implemented.

(Applause)

Mr Habsburg (PPE). — *(DE)* Mr President, this week's major human rights debate has shown once more the importance of the intellectual and ethical principles of our Europe. Europe was great as long as it was fulfilling its intellectual mission in the world. When it started simply drawing up balance sheets and working on the basis of purely materialistic criteria, the rot set in. Solidarity or standing by one another is one of the most important of these principles. We are our brothers' and sisters' keepers, particularly as regards those for whom we bear direct responsibility, i.e. those Europeans who are still cut off from us and are living under the rule of a foreign colonial power, regardless of whether this power is exercised indirectly as in the case of Baltic countries or through collaborators like Laval and Quisling in the Second World War.

At present, Jaruzelski in Poland has the dubious distinction of being the most prominent of these traitors in the world. What he calls government is nothing but an extension of the foreign occupation. We owe our solidarity to the people of Poland, regardless of whether our words have an immediate effect or not. From my own unfortunate experience during the Hitler era I can only persist in stressing what it meant to us when someone like Churchill or De Gaulle spoke out, even when reality at the time presented us with a very different and much gloomier picture. The words of these people created hope and hence life among the ruins. The sister of the 19 year old worker who was murdered on 1 May in Nova Huta by Jaruzelski's thugs simply because he was a patriot said to her weeping mother at the open grave, 'Don't cry, he had the honour of dying for Poland.' We can only bow in deference before such a display of classical strength of spirit. However, we are also called on to do everything we can to ensure that his blood was not shed in vain. Our motion for a resolution should therefore express our conviction that the future belongs to faith and freedom not only in Poland, but in Germany, Hungary, Czechoslovakia and the Baltic States too.

(Applause)

Mr Glinne (S). — *(FR)* Mr President, ladies and gentlemen, since the joint amendment was drawn up as the result of cooperation between several groups, a number of highly distressing incidents have been added to the list of events in Poland which give rise to our indignation. On 17 May, the international press reported the death of a young man of 19, who was beaten up in the Warsaw police headquarters; the official press in Poland launched a shameful smear campaign against the chaplain of the Lenin shipyard in Gdansk, and new information — from the secret

Glinne

notebooks of General Moksar, via the weekly news magazine *Der Spiegel* — has leaked out regarding the greed and corruption of the Polish 'Nomenklatura'. In short, daily life in Poland continues to be marked by the indignity of a situation in which a people finds itself truly 'dissolved', in the sense meant by Brecht. Faced with this sort of scenario, we who are in favour of democratic socialism are bound to be highly sceptical about any system calling itself true socialism. We want to reaffirm our support for human rights and political and trade union pluralism throughout the world. If you are going to claim that you are socialist, you must support wholeheartedly the right to form associations, and not just recognize this right in theory, but also respect it in reality.

That is why we, and some other colleagues here, are anxious to urge the Polish authorities to initiate without further delay the long-awaited dialogue with the representatives of Solidarity and all its members who are asking for official recognition in Poland, not just for Solidarity itself but for free trade unions as a whole. We want to be associated with whatever attempts are made by this Parliament to exert pressure on the Council of Ministers meeting in political cooperation, so that the Community can once again protest — and most energetically — to the government in Warsaw about the violations which continue to occur in that unfortunate country.

(Applause)

Mr Deschamps (PPE). — (FR) History has taught the Polish people a long and hard lesson, Mr President, namely, that they have to rely principally — and almost exclusively — on themselves to safeguard their dignity and freedom. They do not therefore need our oft-repeated speeches and declarations — no matter how strongly-worded — but they do expect us to give them practical support by doing what we can to ensure that the struggle they are waging within Poland is treated throughout the free world with the understanding it deserves and is given the material and spiritual aid it needs.

The first thing that we must do — and Mr Gawronski spoke about this aim — is to help the people to survive.

Mr President, the economic facts and the resulting social situation are deplorable and there is a risk of further deterioration. In 1982, prices rose by 100 % while wages went up by only 57 % and even that was only of use to those lucky enough to have a job. This erosion of purchasing power, which explains the shortening of queues — which the government and the Jaruzelski Junta have sometimes vaunted — has caused a drop of at least 17 % in the retail trade. At the present time, only those with the necessary means have access to the goods on sale and their numbers are continually dwindling.

We must at least provide the minimum of material support needed by the Polish people for its survival. But we must also give the Polish people moral and spiritual support in its struggle since it may need this even more. We must let the people in Poland know that we are aware of what is going on there, that we refuse to accept the situation, that we condemn the atrocities, by the police and others, to which the Polish people are subjected and that we are informing our own people about these events so that they know what is going on and can sustain a climate of resistance to it. Finally we must *act* decisively to do what we can to foster the creation in Poland of the conditions needed for the only possible solution, namely, a dialogue between the authorities, the Church and the Polish people — I am talking about Solidarity — so long as this organization is still permitted to speak out!

Mr Tyrrell (ED). — Mr President, the European Democratic Group supports all the resolutions and the joint amendment. The imposed military government of Poland hoped that as time passed the world would forget. This Parliament is demonstrating yet again today that it does not forget.

In particular, we would wish the Polish Government to know that we are not forgetting those leaders of KOR and Solidarity who are shortly to go on trial charged with attempting to overthrow the state by force. Very severe sentences could, of course, follow conviction for those offences. Those who have been privileged to meet some of these men know how false such a charge would be and that the KOR leaders have consistently advocated non-violence and have consistently exercised a restraining influence in order to prevent it. We also know that it is very unlikely that these men will receive a fair trial. All we can do is to remind the Polish Government that we are watching their fate with acute interest.

We support Mr Gawronski's plea this morning for free post. We hope that this may be introduced into the Community. We realize how important it is that the free aid should get to the right source. We regret that the Polish Government itself will not join in this humanitarian venture and themselves deliver the parcels free when they arrive there.

Mr Papapietro (COM). — (IT) Mr President, ladies and gentlemen, we, the Italian Communists and Independent Members, will be voting in favour of the compromise amendment because we share the feelings and intentions that inspired it. We are particularly outraged and saddened by the fact that a young man should have lost his life in Poland on May Day. We have expressed ourselves clearly and decisively on this topic before. I must, however, say that there is a reason why we have not submitted our own motion for a resolution on this subject, and hence why we are not among those who have signed the amendment.

Papapietro

A motion for a resolution on the part of the European Parliament is a serious and authoritative political gesture and, as such — it is supposed and sincerely hoped — ought to have a realistic and political impact on a situation in order to influence it.

Given the well-known position of this Parliament, so often repeated in this House — and it is our position, too — on events in Poland in recent years, is it really wise, realistic and effective to come up in advance of the most significant step towards peace that we have seen recently and which could prepare the way for a new climate for internal and international relations between the State and the Polish people — I refer to the forthcoming visit to Poland by the highest religious authority in Europe — with this type of motion for a resolution worded in the way it is? Is it politically prudent, realistic and effective, on the eve of this exceptional visit, with its unpredictable consequences, to ask for a mobilization of the forces of European diplomacy in order to demand without delay — as is written in this amendment in strong language which is totally out of proportion to our scant powers — those changes in internal policy which we all hope for, and which the reconfirmation and acceptance of the Pope's visit — we trust — are a first promising sign on the part of the Polish authorities? Although this is not mentioned in either the amendment or in the motions for a resolution...

(The President urged the speaker to conclude)

... Maybe those present did not really consider this aspect when they drew up their statement condemning certain events — in which condemnation, incidentally, we share — namely, that it would have been a more realistic, effective and basically more authoritative political gesture to take note of such changes in order to encourage them even more.

Mr Blaney (CDI). — I rise to support those who have spoken in this debate up to this moment. Indeed if I had the time, which I do not, and neither do other Members, I would talk on all the other motions that deal with the Middle East, Latin America and so forth.

Poland of course, holds a very special place in the minds of my people from Ireland and, of course, the impending visit of the Holy Father is a highlight that is not lost on us.

But what I have said here in the past — and I have continued to say it and will say it here again very briefly — is that our concern with these matters in those countries, and particularly in Poland, Afghanistan and Nicaragua, is right and proper.

But, as I have said before and say again, what a pity it is that we seem to be somewhat reluctant to talk about the matters that are nearer home. In that regard, Mr President, my own country — and I am not going to elaborate on this — is something that we do want

something done about in order to bring peace to our land, so that our people may live in peace in the future just as we wish that the people of Poland, the Middle East, Latin America and all the other troubled areas of this very troubled world of ours today may live in peace.

That is my wish; that is what I wish to say. I want to support what has been said in regard to the Polish resolution and the others that come after. But do, please, keep in mind that ours is an occupied country where people are suffering and we have not demonstrated too much concern about that, although there is a great awakening in this Parliament.

Mr Jakobsen (PPE). — *(DA)* Mr President, you have perhaps sometimes had the same idea as myself. As the stream of resolutions on events in the world around us increases in this House, the effect of our statements might well be decreasing proportionally, and I say this because I wish to stress that this matter in particular warrants us stating our views as frequently and in as forceful terms as possible, not only with a view to influencing those in power — this might be a dubious proposition, but also in the light of the effects our statements may have on many people in Poland. I know from conversations with private citizens in Poland over the course of many years how much importance they attach to affirmations to the effect that they belong to the West and not to the East. They form part of our culture, not of the Soviet Russian culture and for this reason our gestures are of great significance to them.

I should like to say in this connection, therefore, that this question should not get mixed up with questions concerning unemployment and the right to housing. These things have nothing to do with the basic democratic issue of political freedom, the right to a free press and freedom of opinion. Finally, if one wishes to make comparisons with the East, I would point out that the so-called right to work in the East is a lie pure and simple. What the people in fact have is an obligation to work for wages which put one in mind of slave labour and the right to housing means that no-one can get more than 7 m² per person or something along those lines. These questions should not be brought into this debate, which concerns the right of the Polish people to a return to political freedom, particularly as this is something which they themselves so fervently desire.

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, the ideas expressed here this morning and taken up again in Amendment No 1 concur with those held by Members of the Commission.

However, I have to make clear our position on a more concrete point, namely, the motion for a resolution on Community aid on behalf of Poland. As you all know,

Davignon

the aid which the Community has been granting in tranches since 1981 will run out at the end of May.

We have proposed to the Council that we pursue the same course of action up to the end of the year; that is to say, that we continue paying out of the 1983 budget at the same rate i.e. 2 million EUA per month; following the usual budgetary procedures, we should be able to release this money and regulate the financial operations by means of a supplementary budget.

The methods will remain the same. I mean that we will aim at maximum efficiency by deploying this aid through non-governmental organizations and making sure that its distribution in Poland takes place without any intervention by the Polish authorities.

On the more specific question of free post or the assumption by the Community, of postal charges for parcels, we find it difficult at this stage to put forward such a proposal because we feel that it is the responsibility of the individual Member States and we would prefer them — such as the Federal Republic of Germany and Italy already have done — to assume this burden, so as not to reduce in any way the 2 million units of account, which would jeopardize the effectiveness of this aid.

We wholeheartedly agree with the aims of the motions. But we feel that the ways in which aid is provided must be left up to the Member States and not achieved through a reimbursement by the Community to its Member States.

President. — The joint debate is closed.

Vote¹

Middle East

President. — The next item is the joint debate on four motions for resolutions on the Middle East:

- motion for a resolution (Doc. 1-277/83/rev.) by Mr Beyer de Ryke and others on Lebanon;
- motion for a resolution (Doc. 1-325/83) by Mrs Weber and others on the situation in the Middle East;
- motion for a resolution (Doc. 1-322/83), tabled by Mrs Wiczorek-Zeul and others on behalf of the Socialist Group, on the Iran-Iraq war;
- motion for a resolution (Doc. 1-309/83), tabled by Mrs Schleicher and others on behalf of the Group of the European People's Party (CD Group) and Mr Purvis on behalf of the European Democratic Group, on oil pollution in the Persian Gulf.

Mr Beyer de Ryke (L). — (FR) Mr President, first of all I should like to pay tribute to the Lebanese delegation led by Mr Kamal El Assad which is in the building at the moment and which has just brought our attention to Lebanon. I am sure I am speaking for everyone here when I welcome them.

I am even more convinced of this when I look at the motion for a resolution I have tabled and see the names of the people who have signed it. It is not very often you find a motion signed by Members from all the political groups in this Parliament. I feel that Lebanon is probably one of the few countries that can prompt such sympathy and feeling.

This is a vital moment in the history of Lebanon, and by this I mean the agreement which has just been signed between the State of Israel and Lebanon itself. I realise, in the words of a Lebanese proverb, that one hand cannot clap alone. To complete this agreement we need the other hand, and that of course means Syria.

Let me quote one or two people. I read in *Le Monde* that President Assad was violently critical of what he called the Israeli protectorate in Lebanon, and when I met not long ago the Syrian Foreign Minister, Mr Khaddam, he said to me: If I am to believe what Mr Begin says, here on that chair and in this office you are on Israeli territory. Well, I would say that the Syrian President and Foreign Minister should realise that the agreement between Israel and Lebanon means, for the first time perhaps, that the Lebanese border is recognized by Israel and that in future anyone who might feel justified in worrying about Israeli claims in the area of south Lebanon and the Litani river could well put his mind at rest, because the frontier has now been fixed and recognized by both countries. This is a fact which I think should be emphasized.

What in fact are we asking for? We are asking Israel to implement the agreement. I am referring here to the interview with Simon Perez which appeared in this morning's *Dernières Nouvelles d'Alsace*. The article said that as a first step Israeli forces should withdraw to one of the forty-kilometre lines while waiting for Syria to do the same.

What can we ask of Syria? I would tell that country not to give Israel an excuse not to implement the agreement, because if things are not done together there is not going to be any withdrawal of foreign troops.

And what about Europe? Our job — and it is no easy one — is to work on the Americans and to convince them to carry on with the peace process which has started and to win over the Syrians. That will be no easy task either because we have learned today that Mr Habib is no longer welcome in Damascus. But I think there should be no let-up as far as the efforts are concerned.

¹ See Annex.

Beyer de Ryke

Europe must also maintain its commitment with regard to the multinational force. I feel that it is no mean thing for Europe to allow its soldiers to go to Lebanon and to reassure that country of our help and support. This is a political and physical commitment as well as a moral one.

By way of finishing, Mr President, let me repeat the words of the Lebanese Foreign Minister who said: God save Lebanon! Our job is to help God save Lebanon.

(Applause)

Mrs Wiczorek-Zeul (S). — *(DE)* Mr President, ladies and gentlemen, I should like to speak on the amendment tabled by the Socialist, Christian-Democratic and Conservative Groups calling for a cease-fire on the part of Iraq and Iran. My colleagues from the Delegation on relations with the Gulf States have asked me to speak in this capacity too. I should like to ask you to adopt Amendment No 1, which is in fact the only amendment which has been tabled.

Our primary concern in tabling this amendment is to appeal as European Parliament to the warring factions to agree on a cease-fire in view of the loss of life and the consequences of the dreadful environmental pollution in the region of the Arabian Gulf.

At the same time, we call on the Foreign Ministers to endeavour within the context of European political cooperation to bring about a cease-fire and to offer to act as mediators. The Community should, furthermore, support similar initiatives in all international bodies including the United Nations. Even now there is a mediation proposal by the Gulf Cooperation Council which we could quite clearly support. It calls for an end to the hostilities and an immediate cease-fire.

In addition, we call on the Commission to make all possible technical aids and experts available to the Gulf States with a view to dealing with the oil pollution — but obviously only if these States express a wish to this effect. I have heard from Mr Thorn that the Commission would be interested in an operation of this kind, but we obviously accept that it could only be undertaken on request. We therefore call on the Foreign Ministers not to impede the Commission in this respect so that joint action on the part of the European Community will be a viable proposition in that area since it would constitute an important contribution towards a constructive role for the Community in a conflict which clearly cannot be entirely settled by those directly involved.

(Applause)

Mr Weber (S). — *(DE)* Mr President, ladies and gentlemen, the situation in the Middle East continues to be far from peaceful, as clearly shown not only by the murder of Sartawi and the attack on the American Ambassador, but also by the fact that it has not proved possible to extend the peace negotiations between the

Lebanon, Israel and the United States to include Syria. However, I cannot see any sense in Israel conducting negotiations on the one hand while at the same time strengthening its presence in Westbank and the Gaza strip since one cannot negotiate and talk about the right to self-determination — to which one can rightly lay claim oneself — while at the same time depriving others of the basis for such self-determination. We all saw the embittered opposition on the part of individual Israeli settlers in Sinai when they were obliged to give up their settlements. How much more difficult will it be when thousands of Israelis have to leave their new homes in Westbank and Gaza? What head of government will have the courage to take on these problems? Furthermore, the traditional economic and cultural links with Jordan, which are important for the present and future of the Palestinians in their home country, will be systematically hampered or in some respects rendered totally impossible. The existing economic links are almost exclusively with Israel, and attempts on the part of Jordan to keep two-way links open are being impeded and this is no way of preparing the ground for peaceful co-existence. In view of this situation, the European Community must shoulder its responsibility, since the Middle East is not just anywhere. After the European Community has been enlarged to include Spain and Portugal, the entire Mediterranean area, will, as it were, be brought even closer. Tensions and risk of war on our very doorstep are matters which concern us all. The weakness of European Middle East policy so far has been that in practical terms very little ever came of the grandiose declarations. According to the most recent of these declarations, which was made by the Council of 22 March, all the means available in the context of common foreign and foreign trade policy should be used with a view to contributing towards a solution of the problems. Now at the end of May the Foreign Ministers of the Community are meeting in Luxembourg and we should call on them to affirm their resolutions by taking decisions — which is something which both the Israelis and the Arabs are equally calling for.

Political credibility stems from consistency between words and actions and Europe should be no exception to this general principle. The Americans are currently making considerable efforts to improve the situation in the Middle East and we should support them and devote equal efforts to persuading Syria not to stand in the way of a solution either. At the same time the Community should involve itself in the debate on a solution to the Palestinian problems and take part in the United Nations Conference this summer. We always advocate negotiations and talks in preference to military confrontation and for this reason we must try every possible way of making progress through talks.

I would therefore urge all the honourable Members to stand by their resolutions — the most recent example of which was contained in the Penders report — and

Weber

to give the Foreign Ministers of the Community a clear mandate and for this reason the Socialist Group also supports the motion on Lebanon since it is perfectly in line with these other resolutions and provides a substantial basis for the establishment of peace in the Middle East calling as it does for the withdrawal of all foreign troops from Lebanon.

(Applause)

Mr Protopapadakis (PPE). — *(GR)* Mr President, it is easier for us to appeal for an end to war than to make peace a reality. However, in the case of the war between Iran and Iraq our appeal is more urgent than on any other occasion, because apart from the fact that many lives are being lost every day, there is the unprecedented destruction of the environment by the oil which is pouring into the Persian Gulf. If this damage continues, all life in the Gulf will be extinguished and the coasts will be destroyed with the result that both the neighbouring countries and all mankind will suffer.

Accordingly, we call on the Council of Foreign Ministers of the Community to exercise all its political influence on the warring parties and the international organizations to terminate the war. The European People's Party which, I am now representing, and all the parliamentary groups — because we submitted the motion jointly — invite the representatives of the Community institutions who are present at this moment to let us know what procedure must be followed in order to implement Parliament's wishes. As it is our common desire to protect the environment from the disaster which is occurring in the Persian Gulf, we must establish the correct procedure so that we can achieve this objective, and the Community should provide scientists and technical assistance to the interested countries so that they will be able — by drawing on their own experience as well — to counter the harm which is being done.

(Applause)

IN THE CHAIR: MR NIKOLAOU

Vice-President

Mrs Dury (S). — *(FR)* Mr President, two days after discussing the Israël report here we are again dealing with human rights with this debate on the war between Iran and Iraq. These are two bloody dictatorships which are merciless towards their opponents and towards those who fail to show any great zeal for the régime. These two dictatorships which daily stifle the right of expression are engaged in a murderous conflict in circumstances which are all too familiar. What could be better for turning attention away from the real domestic problems whether they are political or economic? What better way of whipping up the

support of the people for their leaders than by continuing a war against a foreign enemy? Instead of channelling their resources into economic and social development, these countries are spending at a crazy rate to buy costly and sophisticated weapons which are spreading havoc not only in their countries but throughout the whole region. The ecological disaster we are discussing here is an example.

I also want to remind Parliament of the latest wave of arrests in Iran which has involved leaders and members of the Toudeh party. After the tragic fate of thousands of Iranians, our concern must be great. Of course, you can have a different view of the position of the Toudeh party in the past, but when it comes to torture, forced confessions and murder, we are duty bound to do something.

In closing, let me say that as long as the Iran-Iraq war goes on the chances of human rights being respected in this part of the world are very slim indeed. This is one of the reasons why we want the Foreign Ministers to act to put an end to the conflict.

Mr Blumenfeld (PPE). — *(DE)* Mr President, I have submitted, together with a colleague, an amendment to the motion for a resolution by Mr Beyer de Ryke, since I take the view that if the European Parliament states its position on this matter today in the form of a resolution, it should concentrate on the most important points — i.e. firstly the withdrawal of all foreign troops insofar as they are not stationed in Lebanon with the approval of the Lebanese Government, and secondly increased aid on the part of the European Community for reconstruction in the Lebanon and to assist the Palestinian refugees.

We have therefore submitted an amendment aimed at tightening up the resolution by Mr Beyer de Ryke and others, which in all other respects we wholeheartedly support. We have taken over a number of elements verbatim from the original resolution, since I do not think much of it if the European Parliament should fail and refuse — in a resolution on this burning question which its author Mr Beyer de Ryke has just presented — to acknowledge the fact that an agreement was signed a few days ago between the Lebanon and Israel and ratified by the Parliaments in Beirut and Jerusalem.

This is a quite fundamental step and the European Council must get down to business. It should not go on making declarations along the lines of the Venice Declaration. The time has come when Europe must by means of a Parliamentary resolution among other things call on Jordan and Syria to finally come to the negotiating table just as the Lebanese, Israelis and Egyptians have already done, since otherwise we will never have peace. These are the reasons why we have tabled this amendment and I hope my colleague, Mr Beyer de Ryke will support it.

Mr Fergusson (ED). — Mr President, my group does, of course, support what has already been said about the Iran/Iraq war, with particular reference to pollution in the Gulf. But my purpose is to support the amendments to Mr Beyer de Ryke's resolution which, in my view, bring it up to date, because a lot has happened since that was first drafted.

I think I can reduce the world's feelings this month about the Lebanon to these few words: Lebanon has had enough. We all know that even if Tuesday's settlement, so laboriously brought about by the efforts of Mr Schultz, is actually fulfilled, the wider problems, the wider quarrel, will still exist — geographically and politically contained perhaps, but still there. But there comes a stage from time to time in any war, as in this war, to bring help to those who are so wounded, so incapacitated, that they can no longer take part. To struggle and fight over their tortured bodies is merely obscene. This Parliament now appeals to all concerned with ending or continuing the Arab/Israeli war to leave Lebanon, to leave Lebanon alone, to allow this mutilated stretcher-case of a country time and peace to recover and to recover with the help of those, like ourselves, who are determined that she shall recover.

The agreement between Israel and Lebanon is inevitably conditional on all foreign forces leaving Lebanon. What stands in the way of that objective? We have heard in our frank talks in this Parliament with the Syrian leaders the ostensible objections advanced by Damascus. The first is that a settlement of this sort compromises Lebanon's sovereignty. I would ask them — I don't expect much of an answer, but I ask them — what sovereignty do they speak of? The sovereignty to harbour foreign forces which terrify their neighbours, foreign forces which remain against Lebanon's own desires and wishes? What sort of sovereignty does anyone consider that the Lebanon exercises itself or enjoys today?

The second objection is that the settlement endangers Syria's own security and takes Lebanon out of the anti-Israeli camp. We can all certainly understand what they mean, but even a country so committed to the anti-Israeli cause as Syria must see that the Lebanon today has nothing at all left to contribute to that cause except provide a battle-ground for others. That is too much to ask involuntarily of any country. It is in Syria's gift now to test Israel's good faith, if it is in doubt, and to allow Lebanon peace. That is our appeal to her today.

Mrs Cinciari Rodano (COM). — *(IT)* Mr President, the Italian Communists and Allies wish to reiterate their firm belief that everything must be done to restore peace in the Middle East. We believe, therefore, that the Community and the individual Member States must make every effort and not just with declarations and words — to put pressure on Israel to with-

draw — as already requested by this Parliament — from all the territories it is occupying illegally, starting with Lebanon but including also the West Bank, the Gaza Strip and the Golan Heights.

We have to face the fact that the tripartite agreement recently signed and ratified between Lebanon and Israel does not provide for a complete and unconditional withdrawal from Lebanon. We hope that Israel will not find, or be offered, any excuses for avoiding the complete implementation of the agreement, particularly as it contains clauses which, I have to admit, are a source of concern to us.

It is therefore in this spirit, but also with these reservations, that we will be voting in favour of the compromise amendment which replaces Mr Beyer de Ryke's motion for a resolution, in the hope that unity, independence and full sovereignty will be restored to Lebanon and the long martyrdom of the Lebanese people be halted.

In addition I must, however stress that not only must Israel's security be guaranteed, but also that of all the neighbouring states, including Jordan and Syria, and that, above all, it is futile to believe that peace will endure in the Middle East unless the Palestinians are given back their homeland and guaranteed the right to self-determination. That is why the Israeli practice of continuing to found settlements and the acts of repression which have taken place in the West Bank area are disturbing and dangerous.

Thus, we support the requests in the motion for a resolution tabled by Mrs Weber on the withdrawal of Israel from the occupied territories and on the participation of the Community at the UN Conference on the question of Palestine.

IN THE CHAIR: MR ESTGEN

Vice-President

Mr Nordmann (L). — *(FR)* Mr President, I wish to speak in support of Amendment No 1 which was tabled by most of the groups. The really good thing about it is that it is topical and it reflects in a positive way the important event which has just taken place with the peace settlement or the basis of a peace settlement between Israel and Lebanon.

It is clear that this agreement will not have the same impact as the agreement at Camp David and the Washington treaty. It is clear that it has been signed against a background of much greater difficulties. But I think Europe would be selling itself short if it failed to indicate the importance which even a limited agreement holds in its view, because whatever the limitations of the agreement the very fact that it has been signed is of significance and should elicit our approval and encouragement. You should not turn your nose

Nordmann

up at a limited peace because even a limited peace is worth having especially as this agreement reveals the way in which certain events were carried out last year since it makes it clear that Israel has no territorial claims on Lebanon. I really do thank Mr Beyer de Ryke for highlighting this very important fact. It is clear that the ball is now in the Syrians' court and it is the readiness of the Syrians to make the most of this peace opportunity which will determine the future prosperity of the Middle East.

Just let me voice some concern in this connection, or at any rate some scepticism, which is prompted by the very nature of the Syrian régime and especially by the encouragement of the hard-line attitude of the Syrians from an imperialist power which has everything to gain from a continuation of the conflict in the Middle East and which hopes to come out of it in a stronger position. I am talking of course about Soviet imperialism.

(Applause)

Mr Israël (DP). — *(FR)* Ladies and gentlemen, since President Sadat's historic journey to Jerusalem, and since the first glimmer of peace in this part of the world, there has been nothing of such importance as the agreement which the Lebanese and the Israelis have just signed. This agreement in fact puts an end to a partial state of war which had come about between Lebanon and Israel. You can say what you like about this state of war — and the fact is that the reasons for Israel's invasion of Lebanon were perhaps not all that clear — but the signing of this agreement should more than satisfy us, especially as at the same time it puts an end to a state of war which had existed for more than thirty years.

The right thing to do, Mr President, ladies and gentlemen, is to support this move. Supporting a peace settlement is not an unlikely job for the European Community. The problem is to know how to support it. It would seem — and enough fun is poked at us in this respect — that the European Community is looking for some kind of initiative in the Middle East. Well, if you ask me, ladies and gentlemen, it is quite clear what this initiative should be. We should set out to persuade the Syrian Government to do what it has promised to do on several occasions, which is to get out of Lebanon if the Israelis do the same. The situation is exactly as one imagined it would be. Everyone has said they want to get out of Lebanon. The Israelis announce they are going to leave and the Syrians, for their part, make threatening noises about a new war. In the light of these circumstances, it is patently obvious that the European Community has an important role to play.

I should like to take this opportunity too of bringing something to the attention of the charming Mrs

Weber. Is there not a risk that the Lebanese-Israeli example might be repeated in the case of the West Bank, and is it not conceivable that this agreement between Israel and Lebanon might contain the seeds of a solution for the tremendous problem of the West Bank? What I am trying to say is that we must not be blind at this stage to the overall peace settlement, which is contained in the agreement between Israel and Lebanon, being relevant for the West Bank.

Of course the Israelis are pessimistic. Of course we feel, as they do, that the desire for peace among the radical section of the Arab world is very limited. President Sadat made peace and was assassinated, President Gemayel wanted peace and was assassinated, and the Americans who were making a useful contribution in the area have seen their embassy blown to pieces. Now, when peace is on the horizon, you get the feeling that there is a risk of another war with Syria.

What we in the European Parliament must do, ladies and gentlemen, is to attempt to find a way to give the Community's diplomatic moves enough force to convince the Syrians and their PLO allies to do what they promised to do: to get out of Lebanon.

Mr De Goede (NI). — *(NL)* Mr President, we also support the agreement between Israel and the Lebanon on the withdrawal of foreign troops and we feel that the American Secretary of State, Mr Schultz, deserves our praise for the way he has tackled this matter. However, as has already been said on several occasions this morning, there is always the fear that Syria, possibly under pressure from the Soviet Union, will refuse to cooperate and once more upset the apple cart.

It would appear to be fair to assume that the United States are currently continuing to place considerable pressure on the Soviet Union to reduce their support to Syria, and the positions adopted by a number of Arab countries with regard to Syria encourages one to hope that something will actually come of the agreement in practical terms. Otherwise, Israel might well end up in a situation where it is forced into a military confrontation with Syria, whereby the presence of Russian missiles and Russian troops in the Bekaa Valley would be a factor to be reckoned with. The situation is indeed still tense and anything might happen. However, there are no prospects of the situation in the Middle East improving unless this agreement is implemented and this will require all our support.

The situation is further complicated by the considerable disunity in the PLO, where even the position of Arafat is at issue. The line King Hussein should adopt in negotiations is therefore by no means obvious. If anything is to come of this, America will also have to

De Goede

increase its pressure on Israel to abandon its West-bank settlement policy, which in turn will give rise to considerable tension in Mr Begin's coalition cabinet.

As regards our Community, I do not think it is the right time for new initiatives on our part. Substantial support on the part of the United States would strike me as more appropriate since it is that country which has most influence in the Middle East and it should be given a chance for as long as possible of bringing its own mediation policy to a more or less satisfactory conclusion.

Mrs Le Roux (COM). — *(FR)* Mr President, let me first of all restate the principles which guide the French Members of the Communist and Allies Group. We want peace, but tension in the Middle East is a dangerous threat to peace in that area and for the whole world. We are convinced that an independent and united Lebanon is a necessary step towards peace, we support the rights of the Palestinians and we believe in the independence and sovereignty of every State in the area.

What do we see as the conditions for a lasting peace? First of all we want complete withdrawal of the Israeli forces from Lebanon, and let me say here that we have constantly expressed our solidarity with the people of Lebanon in what they have suffered. Remember the terrifying Israeli bombardment of Beirut, which has become the testing ground for weapons which have a devastating effect on civilian populations, and remember the horrifying massacres at Sabra and Chatila and the proven responsibility of the Israeli Government. World opinion, and a large section of the population in Israel as well, condemned this barbarous act. Lastly, so that I may express my criticism again, let me remind you of the shameful attitude of the majority in this European Assembly which in July last year refused to debate Lebanon as a matter of urgency at a time when it was up to us to do something to stop the invasion.

The second condition for peace is for Israel to withdraw from all the occupied territories. Not a day passes without some dreadful attack on the rights of Palestinian families. The women and schoolchildren who rightly protest against the living conditions which are imposed on them are arrested, harassed and injured.

Given the circumstances, how can we imagine the right of the Palestinians to a homeland? This is in fact the third vital condition for peace. The Palestinians must get their due: an independent and sovereign State. We were at the meeting with President Assad yesterday and were aware of just how much the tripartite agreement was forced on the Lebanese by the circumstances surrounding its discussion, the presence in Lebanon of Israeli troops. We also noted the fact that the President of the Lebanese Parliament

does not think there will be any lasting peace unless the Palestinian question is settled and that Israeli colonization of the occupied territories is a barrier to peace.

As a result, we hope that the Ten will play a positive role in finding a solution as quickly as possible. The matter is urgent, Mr President.

(Applause from the left)

Mr Alavanos (COM). — *(GR)* Mr President, we are making a series of decisions pursuant to the urgent procedure which are addressed to the Commission and the Council and I fear that certain decisions are being pushed through with fanaticism, such as the decision on Poland, concerning which Mr Davignon was sensitive enough to reply immediately. On the other hand other decisions are being consigned to the waste-paper basket, such as a decision which we made two part-sessions ago to mobilize the Commission, the Council and the Governments of the Member States in support of the Tudeh party, and in particular Nureddin Kianouri, the General Secretary of the Party, who is being detained in prison in Iran. I fully agree with what my colleague Mr Dury said and demanded on behalf of the Socialist Group, and today I would also like to raise the same issue on behalf of the Communist Group. Whatever disagreements one may have with the Tudeh Party and its Secretary, it should not be forgotten that a group of leading members of this party are being detained and tortured; that their human dignity is being offended, and that they risk immediate death, while the Commission and the Council do nothing. I should like to invite the Commission to give a concrete answer or even a concrete promise on this issue.

(Applause from the Communist and Allies Group)

Mr Narjes, Member of the Commission, — *(DE)* Mr President, I should like first of all to say on behalf of the Commission how pleased we are to be able to voice our sympathy and commitment as regards the Lebanon during this difficult period in the presence of a delegation from the Lebanese National Assembly. The Commission shares the concern reflected in this debate at the still critical situation in the Lebanon. It would recall that the Community has on various occasions stressed that it supports the principle of Lebanese sovereignty and independence and has repeatedly called for the withdrawal of all foreign troops from that country.

The Community and the Commission wholeheartedly support all efforts in this direction, since the Commission has always been aware of the suffering of all the various groups of the population in the Lebanon, including the Lebanese and the Palestinians.

As my colleague, Mr Pisani, has already informed you — in his answer to a question at the last plenary sitting — the Community last year granted the

Narjes

Lebanon emergency aid amounting to 20 million ECU. These funds were used for emergency food aid, repair of water supply systems, clearance of debris, medicines and transport of aid. It was also decided to grant the Lebanon aid for reconstruction projects amounting to 50 million ECU in the form of a loan from the European Investment Bank and 20 million ECU in the form of a non-refundable subsidy for a water-supply improvement project in Beirut.

This 20 million ECU subsidy is to be financed under line 952 of the budget (special aid for the Lebanon) which was proposed in November last year by this Parliament. I should perhaps remind you that both the emergency aid and the reconstruction aid are being provided over and above the development aid which the Lebanon receives from the Community under the two Financial Protocols of the Cooperation Agreement between the European Community and the Lebanon. Under the protocols, which were signed in 1977 and 1982, we have undertaken to provide 30 and 50 million ECU respectively in the form of loans, special loans and non-refundable subsidies.

As regards the motion for a resolution on the situation in the Persian Gulf and the war between Iraq and Iran, the Foreign Ministers of the Community have repeatedly stressed the Community's vital interest in peace in the Gulf and have made it known how much we fear a breakdown of political stability in the entire region. The Commission is prepared to provide aid for reconstruction and alleviation of the suffering of the distressed population, as it has already done in the case of the Lebanon. However, this will require a ceasefire and a political solution to the conflict.

We are fully aware of the political and ecological implications of the oil-pollution problem and we have learnt from our contacts and observations that this is neither a financial nor a technical problem, but that the requisite political conditions must be established so that practical use can actually be made of the money available and the technical resources and equipment which have been mobilized through worldwide invitations to tender. The Commission is prepared to provide aid of this kind if necessary and as far as the instruments at its disposal permit. Of course we could take additional appropriate initiatives with the aid of this Parliament. However, we should take this case and others like it as an opportunity for asking ourselves further-reaching questions. In view of the transnational or, in some cases, even worldwide nature of ecological damage of which this is yet another example, should we not consider whether or not we should establish a binding legal framework on a worldwide basis along the lines of the Red Cross Convention with a view to preventing humanitarian and ecological catastrophes, simply because so far the antagonists are bound by nothing? It would certainly be possible to extend international law to this extent. Whether this should take the form of a „Green Cross”

or be carried out along the lines of the Red Cross under the UN Development Aid Programme with somewhat greater executive powers depends on which would be the more effective option.

However, we should take this opportunity to consider whether or not we could make existing international law more practicable.

Mr Alavanos (COM). — (GR) Mr President, I would like to raise a point of order very briefly. However, it is one which concerns hundreds of lives. Once again I would ask Mr Narjes to give an answer to a resolution of Parliament...

President. — I cannot allow you to continue, Mr Alavanos, as that is not a point of order.

The debate is closed.

*Vote*¹

IN THE CHAIR : MR DANKERT

President

3. *Tribute*

President. — Ladies and gentlemen, I should like to adjourn the debate for a few moments. The Community has just suffered another cruel loss: Mr Jean Rey has died.

(The House stood)

This outstanding European was born in Liège on 15 July 1902 and after completing his law studies at the University of Liège he served as an advocate and filled numerous important positions in his country. He was a Communal Councillor in Liège and a member of the Belgian Chamber of Deputies from 1939 to 1958 and on numerous occasions he held ministerial posts in the government of his country. He was President of the Court of Arbitration of the International Chamber of Commerce from 1972 to 1977 and he was also President of the International European Movement from 1974 to 1978. He was a Member of the Commission of the European Economic Community from 1958 to 1967 and he was President of the Commission from 1967 to 1970.

I should also like to mention the special role which Jean Rey played in relations with Greece. He negotiated the Treaty of Association and then the Treaty of Accession.

Between 1954 and 1958 he was a member of the ECSC special Council of Ministers and he was President of this Council on numerous occasions.

Jean Rey was elected to this Parliament in 1979 and he gave up his seat on 10 July 1980. He was a member of the Liberal and Democratic Group and vice-chairman of the Political Affairs Committee.

¹See Annex.

President

It is difficult, indeed impossible, to say in a few brief words how much the European Community owes to Jean Rey. At this moment, let me simply express our deepest sympathy with his family.

Mr Thorn, President of the Commission. — (FR) After what you have just said, Mr President, I can only add the condolences of the Commission to those which you voiced. As you can imagine, it is with genuine and very great sorrow that we heard of the death of Jean Rey.

On behalf of the Commission of the European Communities and speaking for myself and for Mr Davignon — in different capacities we had close personal relationships with Jean Rey — I should like to say how deeply we feel the loss of a friend and a great European and how much we shall miss someone who, as we have just been reminded, played such a direct and unflagging part in the creation and construction of the Community.

His city, Belgium and Europe owe Jean Rey a great deal. It is difficult to say what his greatest quality was: his courage, his integrity, his intelligence or his eloquence. He was a politician, as you know, at the national and European levels. But he was a man who, although he had been a deputy in 1939, felt it was a culminating achievement to belong to this Parliament in 1980. And he thought so not because he was ambitious in other ways but because he felt it was the culminating achievement for a great European to be a Member of this first directly-elected Parliament.

What I should like to remember about him is that his ideas and writings were genuinely rooted in this Community of ours. He has become a point of reference for everyone of us and for everything which is right and sensible and above all — and I want to say this here in this Chamber — for everything which is of a generous nature in the European undertaking. Let me finish by taking just one of many quotations and one which I feel is best suited to this particular point in time when once again we are searching for the right way to do something for Europe. He was convinced that it was to the honour of our generation that it had had enough faith to undertake this tremendous European task, and he added that it would be up to future generations to complete the task. I hope that we shall all manage to follow his example.

Mr Bangemann (L). — (DE) Mr President, the death of Jean Rey is a loss for every citizen of Europe. He was a member and honorary chairman of my group, and I should like to thank you and the President of the Commission for what you said in paying tribute to him. Jean Rey embodied a political learning without which democracy cannot live. He had profound convictions which he constantly voiced and defended. But in doing so he always respected the convictions of others, and on many occasions he

managed to convince people who did think otherwise. He never forced anyone to adopt his point of view. He was a constant example of a watchful and democratically-minded intelligence and his personal beliefs were a credit not only to him but also to his country and, I might add, to every convinced European. With his death, the Liberals in the Community and in Europe have lost someone who expressed what we have often tried in vain to achieve. We should remember that. We pay tribute to this great European with a feeling of gratitude and, in my view, with a sense of tremendous loss, now that he is no longer here to help us.

(Parliament observed a minute's silence)

IN THE CHAIR : MR ESTGEN*Vice-President***4. Topical and urgent debate (continuation)**
Williamsburg summit

President. — The next item is the joint debate on two motions for resolutions :

- motion for a resolution (Doc. 1-316/83), tabled by Mr de la Malène on behalf of the Group of European Progressive Democrats, on preparations for the Williamsburg summit ;
- motion for a resolution (Doc. 1-335/83) by Mr Bonaccini and others on the forthcoming Williamsburg summit.

Mr Cousté (DEP). — (FR) Mr President, in my view the disappointment caused, as we all know, by the latest summit at Versailles and the tense atmosphere at present surrounding the preparations for the forthcoming summit in Williamsburg make it imperative for the European countries attending the next summit to defend a clear common position on the economic, trade and monetary problems under discussion so that they can make a start, in conjunction with their American partner, on the regulation of relations between the dollar and European currencies by means of joint intervention on the foreign exchange markets.

We are hoping, therefore, that the participants will outline practical solutions to the problems of the Third World's debt burden, protectionist tendencies and high interest rates.

In point of fact, Mr President, it has now been eight years since this kind of summit meeting was created on the initiative of France. Even then the problems were explained by simply saying we were going through a monetary crisis. While conditions were not ideal after the dollar's convertibility into gold was suspended in 1971 and after it was allowed to float in 1973, there was nevertheless no ambiguity as far as Europe was concerned. Today one cannot overlook

Couste

the fact that ambiguity is part of European reality, whether some governments want it or others oppose it.

Nevertheless, there needs to be some political cohesion in Europe if we want to be efficient and prosperous. Moreover, these were the aims of the European monetary system: monetary stability, economic convergence, Community solidarity and the creation of impetus at world level. On the whole these aims have not been achieved, and the economies of several countries have in fact been severely affected. The inflation rates of the different member countries of the Community are no closer to one another and unemployment figures are reaching alarming levels. And our collective defences against the dollar and American interest rates are still very weak.

Let us, therefore, try to consolidate Europe first before pushing ahead and making proposals which are likely to pull the wool over the public's eyes once again. The Community of the ten must firstly give an example of internal solidarity, both in its aims and in its methods. Only then will we be able to speak with authority at international level and express ourselves in a way which will be understood and inspire confidence. Only then will the Community be able to aspire to partnership with America in a revised international monetary system which is something we have been calling for since 1965.

This new system, which must be both flexible and firm, should have more than one realistic basis, one of which being the Community, and thus reflect the scale of international economic transactions. The economic and monetary independence of Europe within a reorganized system is one of the conditions of its success. Of course, the commitment must not be one-sided, and if the present international monetary system should continue owing to a failure to act on the part of governments, it should be up to the Community to refuse any kind of economic and monetary allegiance which runs counter to the immediate interests of the system and which in that case would have nothing to do with security and defence. Europe is facing conflicts on all fronts, monetary as well as trade. Even more than the oil shock, the Community's trade deficit reflects the increased pressure by third countries who keep up high customs tariffs, create various obstacles and export unemployment.

Mr President, leaving aside for the moment the problem of East-West trade, the importance of which we do not underestimate, but which should not be allowed to become the main issue at the summit in Williamsburg, this is why we call upon the Community, along with its other Western partners, to take action against the developing chaos in our external trading relations, which is threatening to jeopardize the political framework of our democracies, and to

plan jointly a reform of the rules governing free trade so that freedom in trading relations takes on an organized form and becomes a real factor for peace.

Mr Bonaccini (COM). — *(IT)* Yesterday, Mr President, this House stressed the vital importance — when we approved a relevant document — which we attach to the Stuttgart Summit, even though it has been postponed.

I think that we are all aware nowadays of the interdependency of our economic problems with those of other countries in an extremely large part of the world. That is why we feel that the risk of failure and a further demonstration of our inability to come up with positive lines of thinking affecting a large proportion of the world economy would place us in great jeopardy. The situation is too serious for us to be satisfied with a cosmetic coverup of our failure, which is what has happened on more than one occasion, even in the recent history of our Community.

We already discussed the central issue in Brussels a fortnight ago. To combat unemployment we need, as from today, to revitalize our economies, which calls for at least three basic prerequisites: greater monetary stability and coordination of economic and monetary policies, a more equitable and balanced opening-up of world trade, and greater convergence of economic policies. It is our concern with unemployment which possibly distinguishes the more worthy matters raised just now by Mr Couste from those which lie behind our concern.

The fact that the Williamsburg Summit will be taking place before the Stuttgart one is further proof of the risk we run that the Stuttgart Summit will be merely a reflection of its predecessor with little effective influence.

That is why it is vital for both the Member States and the Commission to be committed to rejecting unacceptable *diktats* at Williamsburg, so that positive political agreements can be reached at Stuttgart.

In other words, we must strive for a more deeply inspired attitude and exert more political will in order to surmount the crisis affecting our economies, which — as Mr Thorn reminded us yesterday — is even undermining our institutions.

Mr Arndt (S). — *(DE)* Mr President, basically my Group welcomes both these motions for resolutions but nevertheless feels that the Bonaccini resolution is much more specific and consistent, particularly since it is based on previous decisions reached by the House. My group will therefore vote in favour of the motion for a resolution and we feel that the de la Malène resolution should be added to it.

I should like in this connection to express the great concern of my Group at the fact that, as we see it, the European Community is not sufficiently prepared for this economic summit in Williamsburg. We do not so

Arndt

far know whether the President of the Commission has received a negotiating mandate from the Council but I think he has not. It would therefore probably be a good idea if he were to stick to this Parliament's recommendations in Williamsburg since these contained clear guidelines. Furthermore at its last meeting in Brussels, the European Council unfortunately also decided to postpone all decisions on this question until its Stuttgart meeting, with the result that no clear position has been forthcoming in this case either.

We know nothing about a specific joint position to be adopted by the European Community at the Williamsburg summit and I think it is absolutely essential that one be found.

All the figures provided by the various economic institutes and our own Statistical Offices would indicate that there are as yet no prospects of an economic upswing worthy of the name. Even if new investment is in fact taking place, 90 % of it involves rationalization, which means further loss of jobs, which in turn will mean, if we continue to pursue the same economic policy, a new disturbing increase in unemployment.

It is the developing countries which will be particularly hard hit and there is a risk that they will be unable to keep their heads above water. The importance of this point for us in the European Community can be seen from the fact that 25 % of our exports go to the developing countries. One of Europe's main demands at Williamsburg must be for stabilization of international exchange rates and the approach adopted by the United States in this respect is a decisive factor, since their budgetary deficit, their interest rates and the exchange rate for the dollar, all of which are too high, have worldwide implications for economic policy. Thus the United States hold the key to this problem and the European Governments should make it clear to them that friendship is not just a one-way affair. If the European representatives take up a joint stance along these lines in Williamsburg, I think it will be possible to achieve some results.

Mr Herman (PPE). — *(FR)* Mr President, ladies and gentlemen, our group supports the motions for resolutions tabled by Mr de la Malène and Mr Bonaccini respectively. We have always been and will always remain staunch supporters of international cooperation, especially when it becomes a matter of urgency, and we are convinced that the problems of monetary stability and interest rates are such that they now transcend the European dimension.

We have, however, two slight reservations to make with regard to the two texts.

Our first reservation relates to paragraph 2 of Mr de la Malène's text. We believe that the relationships between the dollar and the European currencies can

be regulated by various methods; no one kind of measure deserves to be favoured over any other. That is why we would leave out the last part of the paragraph.

We have one reservation to make with regard to paragraph 2 of Mr Bonaccini's motion for a resolution. We believe that international solidarity means first and foremost that everyone puts in an equally sizeable effort whilst aiming for the same end result. It does not mean doling out presents like Father Christmas just to win elections and then calling on others to foot the bill while lecturing them into the bargain! We believe that what we need more than anything is to put our own houses in order and accept the necessary self-discipline which the international situation forces upon us nowadays. So these are the reasons why paragraph 2, which, in itself, is perhaps perfectly acceptable, seems to us to pay too much attention to those who depend on others to help us.

We therefore support these two motions for resolutions subject to these reservations.

Mr Welsh (ED). — Mr President, I happen to know that there are 42 Lancastrians sitting in the gallery at the moment, so I have to be even more careful of what I say than usual.

My group is a little puzzled as to why these motions appear on the list of urgent topics anyway, because we do not think that the Williamsburg summit is a subject for what one might describe as 'instant emotional excitement'. However, we do find a great deal that is useful in them, and I am particularly pleased to see in the motion from Mr Bonaccini and his friends the assertion that we want to 'preserve and consolidate the trend towards openness in the markets and in both international and internal trade'. If, as the Good Book tells us, there is joy in heaven over one sinner that repenteth, I am sure there is very great joy over the 24 sinners that appear to have repented today.

As regards Mr de la Malène's motion, I would like to associate myself with the reservations expressed by Mr Herman. In particular, we are sorry that it makes absolutely no reference to the Japanese, who, after all, are a considerable economic power. Secondly, we really wonder whether it is necessary to call on the Community countries to 'act together and with solidarity'. After all, we are all going to do that. That is why we are members of the Community.

The important thing, however, is to learn from past mistakes, and we hope that we shall not fall into the trap of Versailles. The Versailles conference was a failure because everybody came to it having made promises which subsequently proved not to be achievable, and we think it is an encouraging sign that no one in the run-up to Williamsburg has made promises for political consumption at home which will only make agreement more difficult. The thing to do with

Welsh

allies is to concentrate on the things on which you agree and not to look for things on which one knows perfectly well one is not going to agree.

Great historical events are usually recognized in retrospect. I suspect that the importance of Bretton Woods was not realized until well after it had taken place, and if it had been seen as some seminal conference that was going to change the world, it might well have been a failure. It is our hope and our wish that Williamsburg will come in time to be regarded as a new departure in economic cooperation and understanding between the free world's leading economic powers, and we hope and expect and we know that President Thorn and the Community will play their full part. We do not wish to say anything here today, to make any promises or raise any expectations, that might make the achievement of that agreement more difficult, and that is why I am now going to sit down.

Mr Davignon, Vice-President of the Commission. —

(FR) Mr President, I believe that the concern shown by Parliament today will encourage the Commission in this task of ours, which is making sure that initially the Williamsburg summit is thoroughly prepared at Community level. That is why the Commission submitted to the Council a document which was discussed in part at two meetings of the Economic and Finance Ministers and which will be discussed again at a meeting of Foreign Ministers, so that in discussions with the United States, Japan and Canada the four Member States and the Commission can voice a Community viewpoint on basic issues within the Community's field of responsibility.

In our opinion the basic issues are reflected in the motions for resolutions before Parliament today.

The first issue — and this is what we expect of Williamsburg — is a strengthening of international cooperation and a genuine demonstration of political resolve in this area.

It is when things get difficult that closer cooperation really becomes necessary. The most fundamental and important aim of cooperation is to see to it that the Community, the United States, Japan and Canada, which have such enormous resources, work together towards improving the economic situation, so that we may benefit from the upturn in the economy in overcoming our problems, which otherwise appear insoluble.

The second issue is that in order for this result to be achieved, there is no doubt that some factors hampering this recovery (high interest rates, the uncertainty besetting the international monetary system in various ways, doubts as to the proper functioning of the world trading system and the problems involved in opening it up) are those very points on which we expect Williamsburg to provide a clear position to back up the efforts that can be made. In this context, Mr President, we think that it is also necessary that

the industrialized countries present at Williamsburg also give thought to the problems of the rest of the world and ensure that the economic recovery which we may be able to enjoy again also returns to all other countries, which in turn raises the whole question of multilateral aid and the problems besetting the poorest countries, particularly at this time of serious crisis which they are going through as a result of their debt problems.

In its preparations before and in the standpoints it adopts at Williamsburg the Commission will thus seek to defend what it, like Parliament, sees as the priority aims.

President. — The debate is closed

*Vote*¹

Latin America

President. — The next item is the joint debate on four motions for resolutions on Latin America :

- motion for a resolution (Doc. 1-321/83/rev.) by Mrs Lizin and others on the reprisals in Chile following the demonstration of 11 May in Santiago ;
- motion for a resolution (Doc. 1-323/83/rev.), tabled by Mr Gatto and others on behalf of the Socialist Group, Mr Fanti on behalf of the Communist and Allies Group and Mr Gawronski, on the statement by the Argentine military junta concerning the fate of the persons who have disappeared since the last coup d'état ;
- motion for a resolution (Doc. 1-333/83), tabled by Mr Fanti and others on behalf of the Communist and Allies Group, on the acts of aggression perpetrated against Nicaragua ;
- motion for a resolution (Doc. 1-336/83) by Mr Glinne and others on the political situation in Uruguay.

Mrs Lizin (S). — *(FR)* Ladies and gentlemen, this Parliament has often had occasion to speak about Chile since the adoption of the Van Miert report in 1980, but this is the first time we have had to consider such dramatic incidents as those which occurred last week throughout Chile but especially in Santiago. What the Chilean junta has done is to revert to the methods which were used during the coup d'état of ten years ago. The régime has reopened the camps, subjected the population to searches and carried out mass arrests at dawn, and in doing this the régime was giving a brutal response — and if you ask us, a shameful response — to the growing dissatisfaction and anger among the people on account of the difficulties and the economic failure of the régime.

¹ See Annex.

Lizin

It is this dramatic failure, in spite of massive international aid, which is behind the demonstrations of 1 May and then again on 11 May. These demonstrations warranted the return of the visible methods of the dictatorship when it started, and the demonstrators were shot at. There were two killed and 350 arrested on 11 May and there were another 200 arrests on 14 May.

At the time of the coup d'état the Foreign Ministers meeting in political cooperation took a strong line and their common disapproval was marked by a joint recall of Europe's ambassadors. We want them to take another look at the problem and to follow the lead given by the French Government yesterday.

Ladies and gentlemen, we want you to respond positively to the resolutions which were adopted on Tuesday after the debate on the Israël report and we want to make it clear to the Chilean junta and to the whole world just how much we condemn this attempt to use every means to stifle the voice of a people who will no longer be silenced.

Mr Arfè (S). — (IT) Mr President, ladies and gentlemen, the motion for a resolution tabled by my Group also contains amendments by Mr Pedini on behalf of the European People's Party and is supported by the Communist Group. I trust that it will meet with the approval of this entire House.

The fact that the government of a civilized country — and not the leaders of a horde of savages — can admit its guilt in the assassination of tens of thousands of its citizens, and then more or less say that there are no grounds for taking action against those responsible, is without precedent in contemporary history.

I use the word 'assassination' in the strict sense of the term. These victims did not have sentences passed on them by a special court authorized to exercise some sort of justice, however arbitrary. Neither did they perish in the frenzy of a massacre. No, they were picked up and eliminated one by one, in a monstrously uninterrupted and methodical way. We cannot even be certain that some of the victims are dead, nor do we know what has happened to some children snatched from their families. There are many Italians among the assassinated, and it is also an Italian who has so far spoken with the greatest authority and firmness in expressing his condemnation of these events and calling for justice: I refer to Mr Sandro Pertini, President of Italy!

However, these despicable deeds offend us because we are human beings, not because we are Italians. What has happened in Argentina offends humanity as a whole. The European Parliament, a place where traditions, ideal and moral experiences which are among the oldest in human history can be encountered and blended together, is both morally bound and has the right to express its own form of condemnation. It is

morally bound as an expression of its loyalty — of which this House is itself an example — to an attitude which it has so far nobly upheld, of consistent and unyielding defence of human and civil rights, whenever and wherever they are violated. It is its right to do so, because the violations of the rights of those killed in Argentina are an outrage and a challenge to the whole civilized world.

The response made so far by the Argentinian Government has been entirely cynical and base. The acknowledgement of the crimes has been accompanied by guarantees of immunity to the assassins and those giving them their orders. If this attitude persists, only one conclusion can be drawn — a government which rules on the basis of systematic assassination should be isolated from the international community and ostracized by the civilized world!

Mrs Poirier (COM). — (FR) Mr President, Nicaragua must be helped. Every day this country has to suffer armed aggression from the United States, which makes no secret of what it is doing. Everyone knows that the Nicaraguan Government has on several occasions offered to hold frank and constructive talks with Honduras and the United States, but these two countries just go on with their criminal and bloody attempts to destabilize a government which is absolutely legitimate. The deaths of a French doctor and of a German doctor who had gone to help the suffering people of Nicaragua should bring home to us here the reality of this aggression which we ought to condemn in the strongest terms.

But there is another weapon which is being used against Nicaragua, a country which simply wants to be independent. This is the food weapon, which this Parliament has already formally condemned. The Reagan administration has decided to import only 6 000 tonnes of sugar from Nicaragua, just one tenth of the 58 000 tonnes which were written into the trade agreements between the two countries. What this means is that the Nicaraguans are going to be starved out. That is how the United States tackles the problem of human rights.

If this Parliament really has a nobler attitude on this matter, we have to ask the Commission and the Council to increase Community aid to this suffering country. That is why the Fanti-Piquet motion must be urgently debated and then adopted, Mr President.

Mr Lezzi (S). — (IT) Once again, Mr President, the European Parliament returns to the question of the political situation in Uruguay. On this occasion a new initiative is proposed, namely that we send our own delegation to Montevideo to meet government authorities, the traditional *blanco* and *colorado* parties, as well as all the democratic parties of the 'front'. These parties are, of course, linked with the major European

Lezzi

parties through liberal, democratic, Christian and socialist internationals.

Only technical reasons have impeded further major support for the motion for a resolution before you, which is the result of work by a coordinating committee consisting of European Parliament Groups and Uruguayan political forces in exile, who met several times in Strasbourg and Brussels, the latter being a focal point for political emigrés from Uruguay. Only the other day, a delegation of Uruguayan women visited Strasbourg. The Coordinating Committee was and is sustained in its efforts by the authoritative support of Piet Dankert, President of this House, to whom we wish every success in fostering contacts which should result in the Uruguayan authorities' giving their unconditional agreement to this mission, so that the European diplomatic representatives in Montevideo can — within the framework of political cooperation — ensure that the mission is fully successful. The delegation will draw its inspiration from the many motions for resolutions approved unanimously by the European Parliament, and advocating the re-establishment of democracy, the return of exiles to Uruguay, and the liberation of political prisoners, including Seregni.

We are not unaware of the political problems that this initiative might meet with as it develops. However, that is why it must be pursued through a more direct awareness of the social, economic and political realities of the Uruguayan Republic, in order to ascertain to what extent it is possible in the short term to achieve democratic solidarity there with exiles and political prisoners, and in order to establish the prospects for a true return to democracy in the countries of the southern part of Latin America.

Mrs Desouches (S). — (FR) I always speak with a great deal of feeling about Chile and about my friends who are living there or who have disappeared or gone into exile, because Chile is a country which I know well and which until September 1973 I admired on account of its sense of democracy and its respect for freedom.

It is quite odd nowadays to see how the military leaders in Brazil and Argentina are beginning to organize a gradual return to civilian government so as to remedy their disastrous rule. At the same time, in Chile, General Pinochet has been desperately hanging on to his dictatorial and tyrannical power for the last ten years. He refuses to acknowledge that he has turned his people into a nation of oppressed who are starving and whose only option is to fight back. He refuses to see the economic situation the country is now in, with international aid now being given in equal measure to the hostility shown the previous democratic régime. The day of protest on 11 May was supported by the trade unions and by the copper miners at Chuquicamata and by the middle classes —

housewives marched with their saucepans — but it was only the poor people, the people from the slums, who were arrested and dumped in the stadiums and it was the jobless — 500 of them apparently — who were arrested. The purpose of this shameful plan is quite clear: once again it is the poor people who are to be blamed for the demonstrations and those who did not take part have to be persuaded that they are all criminals and there must be no hint of the disaffection of the classes which supported this tyrannical régime at the outset.

Pinochet's dictatorial power is losing the support of the middle classes, just as it has lost the support of the Christian Democrats who quickly came to the conclusion that they could not tolerate any so-called defence of Christian values which involved the disappearance of people in their thousands. The French Foreign Minister was quite right in calling Pinochet a curse on his people, and he stays in power only by brute and blind force, and we have just had another example of that.

I am delighted that France has recalled her ambassador for talks and I hope that there will be a very large majority in favour of this motion for a resolution, so that we may soon see Chile return to the democracy which for decades was the exception and the model for South America.

Mr Pedini (PPE). — (IT) On behalf of the PPE, Mr President, I should like to state our position on the four motions for a resolution before us. It is obvious that the PPE supports the motion for a resolution on Chile, and we do so with a feeling of pride for having given men like Frey to Chilean democracy and for having an exile from Chile as the President of the Christian Democratic International.

What is happening in Chile is a protest which we back up to the hilt in our quest for democracy and our total rejection of dictatorship.

As far as the motion for a resolution on the situation of the *desaparecidos* and Argentina is concerned, we fully concur with Mr Arfè's comments: his thoughts are our own. We have also helped to foster awareness in this Parliament of the problem of the *desaparecidos*; I myself had the honour of tabling a motion for a resolution on behalf of the European People's Party last October and which was supported by the Socialist Group. Today, we are delighted to be able to support your initiative, Mr Arfè.

If this initiative — which, as I have said, reflects our ideas and which, with a little more time, we might have been able to put into a joint document — is to have any effect, however, it cannot be confined only to the record of a protest — however clear and categorical in expressing outrage at what has happened in Argentina. No, in order to be effective, it would have to contain more practical and definite solutions. Mr

Pedini

Arfè, you have just spoken about world public opinion rising rising up against what has happened, and the government's announcement about those responsible, and we — I have already had an opportunity to talk about this with you — would be grateful if you and our Group would be willing to expand and strengthen your motion for a resolution by accepting the inclusion of our amendment. More specifically, I refer to point c) and the first paragraph which contains a categorical condemnation, but above all paragraph 2), which calls upon the Argentine Government to bring the culprits to justice: it is high time that a call is made for a major trial of those responsible. In any case, should the Argentinian Government not consent to our request and instead assume responsibility for not revealing the identity of the culprits, in paragraph 3) of our proposed amendment we call for information — case by case — on the situation of those who have disappeared, that is supposing that there are some victims who can still be saved.

The European People's Party wishes to express a categorically negative opinion of Mr Fanti's motion for a resolution. The Political Affairs Committee is currently examining a document on Nicaragua and one on El Salvador.

Naturally, we do not go along with the economic pressures now being applied to Nicaragua; if we want to discuss Nicaragua, ladies and gentleman, we must also talk about the flow of foreign arms, Libyan aeroplanes, and a whole gamut of foreign interference and violence concerning which the Political Affairs Committee is working out its position.

Turning finally to the motion for a resolution on Uruguay, which bears among others the authoritative signatures of Mr Barbi and Mr Lezzi, we are on the whole in favour but would nevertheless like to ask — I should like this to be included in the proceedings, Mr President — that before sending this mission, we wait for the results of the Parliamentary conferences next June to be held between the European Parliament and the Latin American Parliament. In this way, we will obtain more precise ideas and, possibly, we may be able to extend the task given to the mission and even authorize it to meet all those people in Argentina who are waiting and longing for a return to democracy and working towards that end.

Mrs Nebout (DEP). — (FR) Central America is in trouble, economic trouble on which this House gave its views during last November's debate, the result of which was the Community promised to help this part of the world. But the region is also in a political mess which is giving more and more cause for concern. The fact is that there is a process of destabilization in the region. It is hurting everyone but especially the people who live there, in very difficult circumstances.

We agreed to help these people, Mr President, but there is no way we can go along with the motion for a resolution tabled by Mr Fanti and others. It is not about humanitarian or economic aid but it is an attempt to give support to a régime we condemn.

It is not the role or the job of the Community to bail out any régime. But here we have an attempt at a very serious misuse of Community aid. It also has to be said that the régime in power at the moment in Nicaragua uses deplorable methods when it comes to human rights, freedom and democracy. It is just a straightforward fascist government and not the progressive government which the French Communist, Mr Denis, tried to convince us of in Tuesday's debate on human rights.

It is also clear that Nicaragua is being used by Cuba as a staging point in its campaign against democracy and for international destabilization. There is open military support for a guerrilla movement which wants to implant Soviet-Cuban authority throughout the region. What do our friends on the Left think of the suppression of all trade union freedoms in Nicaragua? What do they think of the brutal behaviour of this régime which gives the lie to the democratic principles it voices? This Marxist-Leninist régime is openly attacking liberty. You should not be surprised at the reaction of the countries involved who want nothing to do with an exported revolution.

If the motion by Mr Fanti and others denounces all foreign aid given to Somoza's mercenaries, this denunciation should also be extended to include all foreign interference.

Once again, Mr President, it is not the job of the Community to set itself up as the judge of any régime or to bail out any other. We are not going to be led down this path by any spurious economic reasoning. We shall be voting against the motion for a resolution.

Mr Van Minnen (S). — (NL) Mr President, I am obviously tempted to go into the points made by Mrs Nebout, but you cannot allow me to do so. I will not be able, therefore to say how disgraceful I regard the points she has made. I am to devote one minute to Chile, which is another subject on which not much needs to be said since ten years ago not only was Allende murdered by a mob of gangsters who are still calling the tune in Santiago, but thousands more people were murdered with him and thousands of others put in concentration camps. Now, ten years later — and this is the crux of the matter — the civilized world is still shocked by the football stadiums which have been converted into concentration camps. We are still shocked by the pictures of ten years ago but just as much by those of the present day.

Van Minnen

Now, ten years later, Amnesty International reports on the torture which is still prevalent in Chile. Now, ten years later, the newspapers, radio and television are reporting on the murders and shootings which the present-day junta is still indulging in. And there are still those hypocrites who say that recently such a fresh wind of democracy has been blowing through the streets of Santiago. In reality, we should be filled with abhorrence and speak out unambiguously as the European Parliament, not only today, but next month too when our Parliament holds its interparliamentary conference in Brussels with its Latin-American counterparts. This is possibly the least the people of Chile could expect from us.

Mr Davignon, Vice-President of the Commission. — (FR) Mr Haferkamp, speaking for the President of the Commission on Tuesday, outlined the whole position on the protection of human rights and I do not intend to repeat what he said. The Commission stance on this matter is clear-cut and well known.

There is a second point I wish to make. The events in Chile show that, no matter what policy of economic realism you claim to be acting upon, you cannot in any way trample on freedom and hope to push your policy through like that. I think this is a lesson we should remember, a very important lesson for this Parliament. Thirdly, with regard to Community aid for Central America, this matter has already been discussed. The aid programmes are known and as things stand at the moment the Commission cannot alter what is in the budget.

President. — The debate is closed.

Vote¹

Natural disasters

President. — The next item is the joint debate on three motions for resolutions on natural disasters:

- motion for a resolution (Doc. 1-317/83), tabled by Mr Ansquer on behalf of the Group of European Progressive Democrats, on the consequences of the violent storms and serious floods which have recently occurred in France;
- motion for a resolution (Doc. 1-324/83/rev.), tabled by Mrs Herklotz and others on behalf of the Socialist Group, on the effects of the recent floods in the Federal Republic of Germany, France and Luxembourg;
- motion for a resolution (Doc. 1-338/83) by Mr Diana and others on the persistent drought in certain regions of southern Italy.

Mr Herklotz (S). — (DE) Mr President, ladies and gentlemen, people who live by rivers are used to high water and floods. However, the events of the last few years — particularly last April — and above all on the

Rhine, Moselle, Saar, Seine, Marne, Saône and Doubs have been so extreme that the people hit by these natural disasters are unable to restore order to their houses, gardens and fields unaided.

At some points on the Rhine and Moselle the water has not reached such levels for some 60 years and agriculture, wine growing, cottage industries and small and medium-sized factories have been hard hit. In some cases families are still drying out their homes. The alarms which were set off in many places had shown as long ago as April that this could well be the flood of the century and cause immeasurable damage. The European Community owes its solidarity to thousands of families who have been hit by this disaster and who cannot cope with the substantial damage they have suffered without our help.

For this reason, we call on the Commission and Council to provide emergency aid and in so doing to take account of the fact that this has been the second flood within a few months which has caused extensive damage, ruined fields and rented houses uninhabitable. A great deal of furniture and clothing has ended up on the rubbish heap. The individual countries are already helping, but in different ways. Even within the Federal Republic there are differences between, for example, North-Rhine Westphalia and the Rhineland Palatinate. One Land is providing cash while another has introduced a tax-relief arrangement. In every case in Germany, France and Luxembourg the European Community must now lend a hand too.

Furthermore, it would appear necessary to investigate the question of why natural disasters of this kind have attained such unfortunate proportions in recent years. Are they a result of misplanning or of essential measures? Whichever way, it is important that we do something about avoiding similar catastrophes in the future and the European Community must help the victims.

Mr Diana (PPE). — (IT) Mr President, while some of us are complaining about floods and requesting provisions to mitigate their effects — as in the case of the last two motions for a resolution — there are others, like myself, who are bemoaning the consequences of serious drought.

This is one problem which European integration has obviously not progressed far in solving up to now.

Of course, the tourists visiting Southern Italy at the moment are thrilled with the sun and the heat. To tell the truth, their happiness contrasts sharply with the serious consequences being faced by the citizens and farmers of Southern Italy. At Agrigento in Sicily, where it has not rained for months, water is rationed, including for domestic use: only two hours per week.

¹ See Annex.

Diana

In Puglia, in Foggia Province, where only last year drought severely damaged crops, already this year we can see the signs of the serious effects that will result if the drought continues. The situation is critical in Matera in Basilicata, where they cannot even water their animals. I could say the same about Calabria and Molise. I could go on with the list. We are aware that solutions to this highly serious problem cannot be found in the short term. There needs to be a more long-term commitment, but at least let us progress with a large-scale plan to irrigate; let us complete the irrigation works which, for the most part, have been commenced and not completed given that, frequently, inflation has whittled away at the initial appropriations.

We cannot allow the economy of whole regions to go to rack and ruin while we are waiting for such provisions, however. Something needs to be done right now, and urgently.

Along with many other colleagues, I already tabled a motion for a resolution along these lines last year. The Commission's response was totally elusive, and any subsequent action taken was absolutely negligible. As a result, I and some colleagues tabled an oral question with debate to elicit some replies from the Commission, but this House preferred not to proceed to the debate. But today I believe that we are in a situation which really does not allow us to lose any more time. For that reason we expect the Commission to respond promptly and tell us what it intends to do to combat a catastrophe of truly colossal dimensions.

Mr Tugendhat, Vice-President of the Commission. — Mr President, as is quite evident from the two speeches which we have just had, different parts of Europe certainly face different climatic conditions. So far as the motions for resolutions tabled by Mr Ansquer and Mrs Herklotz and their colleagues are concerned, both deal with the effects of the storms and the floods though which, of course, we are having to live here at the moment. It would seem appropriate for me, I think, although Mr Ansquer was not in the Chamber at the time, to make a common reply and then to deal at the end of my speech with the more specific problem raised by Mr Diana, since, as I say, they do focus on rather different problems.

Taking the motions for resolutions tabled by Mr Ansquer and Mrs Herklotz first, the Commission is sensitive to the acute problems created by the recent storms and floods in a number of regions of both France and Germany. Those of us who have occasion to travel in those two countries, either by road or flying over them, cannot, I think, be under any illusions as to the difficulties which these remarkable climatic conditions must have caused. It is because of this that the Commission has, in fact, already made contact with the Permanent Representations of France and the Federal Republic of Germany in order to

obtain full information from official sources on the extent of the damage to property and persons in the regions concerned. Once we have obtained this information, the Commission will be in a position to examine whether it would be possible and appropriate to extend emergency aid to the population of the regions concerned, using, of course, the limited resources available to the Commission under Article 690 of the budget. I can nonetheless, assure the House that the Commission will carry out a very full examination and that we will see what possibilities there are of providing aid to the regions to which Mrs Herklotz and Mr Ansquer have drawn our attention.

I now turn briefly to the problems raised by Mr Diana. First of all, I would like to correct the impression given in the draft resolution that the Commission has not taken any action on Parliament's resolution of 8 July on the drought which has, as he says, been widespread in the Mezzogiorno and in Sicily. When determining whether aid would be possible, the Commission, as I think many people in the House know, takes particular account of a number of factors.

These are, in particular, the extent of the distress caused to the population, the degree of deterioration in living conditions and the views of national and regional authorities as to the gravity of the situation. In the case of the drought in Sicily, the Commission's examination, in conjunction with the national authorities, of the effects of the drought indicated clearly that the principal effect was on agriculture and, in particular, on the rearing of animals. The degree of distress to the human population concerned was limited to some rationing of water. In view of the likelihood of a repetition of the drought in future years, the Commission came to the conclusion that the drought was more a structural problem, and in these circumstances the Commission felt that the most useful contribution it could make to the solution of the problem would be to finance a study on the causes of the drought and on the ways in which its harmful effects could be avoided in the future. That study has been concentrated on Sicily, where the problems have been most acute. However, its results will be applicable to the other regions as well. The final report on this study will be available shortly, and when it is, it will be transmitted to all competent and interested bodies at the national and regional level, as well as to Members of the European Parliament if they so wish, which I am sure they will.

Mr President, I really do feel that the Commission is taking this matter seriously and that it is more in the interests of the regions concerned that it should be seen as a structural matter than that it should be seen just as a one-off disaster. I think it would also be helpful to Mr Diana and those whom he represents for me to say that the aim of the study will be to establish an inventory of available information on water resources and on existing and projected water

Tugendhat

supply systems for general, agricultural and industrial use in Sicily, in order to determine those areas in which the Community could make a financial contribution towards eliminating or, at least, reducing the weakness in infrastructure and the supply systems.

I hope that I have been helpful. I do recognize the very considerable worry and concern which these different but, nonetheless alarming climatic conditions have caused.

Lady Elles (ED). — Mr President, on a point of order, may I say that our group finds itself in a difficulty, because Mr Diana's resolution points to a very serious situation — I do not want to go into the substance of it — but the Commission has given a very full reply which does not accord with the content of the resolution but may, nevertheless, help Mr Diana. I wonder whether with your permission, Mr President, Mr Diana could be asked if he wishes to keep this resolution in the terms in which it is now stated; because it does put the House in a difficulty in view of the helpful reply we have had from the Commissioner.

Mr Diana (PPE). — (IT) Mr President, the Commissioner's reply is certainly satisfactory from a number of points of view. What is more, Regulation No 1362 already sets out, in a certain sense, the more long-term tasks regarding completion of the irrigation projects. My motion for a resolution, however, seeks to show — and I hope that Lady Elles, who is very familiar with my country, will understand this — that we have here an emergency that we cannot possibly solve merely with structural measures which can only be implemented in the medium and long term. We must act now to ensure the survival of people and to save the economy.

Later on we can tackle the question of structural solutions. In the meantime, we are asking for a life line to be extended to the drought-ridden populations.

President. — The debate is closed.

*Vote*¹

Property of Community citizens in Greece

President. — The next item is the motion for a resolution (Doc. 1-278/83) by Sir Fred Warner and others on the property of Community citizens in Greece.

Sir Fred Warner (ED). — Mr President, the problem discussed in this motion has risen in the following way. In 1924 and 1927 the Greek Government of the time, for proper reasons of national security, enacted legislation preventing foreigners from owning property in 'frontier areas'. Although the term 'frontier

areas' was rather widely defined to include most of the Aegean Islands and the Eptanisos, this was not surprising at a time of strained relations between Greece and her neighbours.

Twenty years later after the last war, foreigners, and particularly Europeans, began to acquire property in these areas. No objections were raised, contracts were drawn up in legal terms and were registered and the foreign owners paid their taxes, which were received by the Greek authorities without question.

Some two years ago, however, members of a family which had earlier sold a valuable property in Corfu brought a case alleging that the sale was invalid under the legislation to which I have referred. After two appeals the Supreme Court of Greece, on 17 March this year, ruled that the original contract was indeed invalid. The effect is that the property must be held to be still that of the former owners and that there is no provision to allow the purchaser to reclaim more than the original purchase price.

Now, although this judgement concerned only one piece of property, owned in this case by a Liechtenstein company the effect is obvious. In the light of the Supreme Court's decision, no contract by which a foreigner has acquired property in Greek frontier areas can now be considered valid by a Greek court. This concerns very large numbers of Community citizens. There are about 1500 British property owners affected. There are also many German, French, Italian, Belgian and other owners. All of them are now faced with the possibility, or even likelihood, of costly and vexatious litigation to deprive them of their houses.

I am sure that Members of this Parliament will agree that there are three injustices here. First, the decision has a retroactive effect. Foreign owners have often enjoyed these properties without disturbance for years or decades, and they are now liable to be turned out of their villas and, in many cases, their only homes.

Second, the decision is severely confiscatory. There is no provision for owners to receive money to offset rises in property values, the erection of their houses on bare land or the great improvements which have been made in most cases.

Third, there is no recognition of the status of Community citizens, who are not accorded the rights of Greek citizens.

Now it is certainly not the intention of the signatories of this action in any way to criticize the Greek Government, which has no constitutional responsibility for the decision. Nor is it the intention at this stage to argue about the court's ruling or the undeniable right to protect national security. What we have done is to try to draw attention to the unforeseen but nevertheless scandalous injustice of the present position.

¹ See Annex.

Warner

We have suggested three ways in which it could be set right :

1. The Greek Government could introduce urgent legislation. If this were to take care of all the interests of Community citizens, it would be welcomed by this House and that would be the end of it.
2. The matter could be referred to the European Court of Justice for a ruling that a decision which discriminates between Greek and non-Greek Community citizens is invalid and contrary to the Treaty of Rome.
3. Since the confiscatory features are a violation of citizens' rights and since the European Convention on Human Rights is understood to be part of Greek law, a ruling could be sought from the Court of Human Rights. As Greece does not recognize the jurisdiction of that Court in cases brought by private persons, the complaint would have to be brought by one or more governments.

We ask Parliament to approve this resolution and we particularly ask our Greek colleagues to look at it sympathetically. We invite the Greek Government to consider the matter urgently, and we ask the Commission and Council to consider and act on our recommendations as proposed.

(Applause)

Mr Plaskovitis (S). — *(GR)* Mr President, pursuant to a law which has been in force since before the Second World War, the purchase of property in frontier areas of the country by non-Greek citizens is prohibited for reasons of national security, reasons which were completely understandable at least at that time. After the war, a number of foreigners managed to circumvent the law and acquire property by setting up limited liability companies. After legal proceedings had been instituted by certain interested owners these deals were declared null and void *ab initio* and as contraventions of the abovementioned law. The annulment was made by the competent Greek courts, and the matter was referred to the Supreme Court, the highest court of appeal in my country. The Supreme Court's ruling concerns property sold in Corfu, which is a frontier area, and which was purchased by a firm in Lichtenstein, a country which is not a Member State of the Community. Consequently, and for this reason alone, I think that the motion for a resolution is unjustified, as it concerns the property not of a citizen of a Member State of the Community, but of a firm in Liechtenstein.

Moreover, Mr President, the motion for a resolution has no legal foundation either, because Article 56 of the Treaty of Rome expressly states that internal laws or administrative actions providing for special treatment for foreign nationals as regards their right of establishment on grounds of public policy, public

security or public health, shall not be prejudiced by the Community provisions. Moreover, there is as yet no Community regulation providing for the coordination of the relevant national provisions in this category pursuant to Article 56 (2) of the Treaty. Consequently, for the present at least, the European Court of Justice has no jurisdiction pursuant to Article 177 of the Treaty.

However, Mr President, in addition to this it must be stressed that the freedom of establishment provided for in Article 52 of the Treaty refers to establishment with a view to exercising a profession and not to the purchase of property for recreational purposes, in respect of which there is another article, Article 67 of the Treaty, which refers to movements of capital. There are no Community provisions here concerning the purchase of property.

Consequently, this motion for a resolution is devoid of any legal foundation and is completely unjustifiable. For this reason I think that it should be rejected, because the subject matter lies outside the competence of the European Parliament, given that there is no compulsory provision in the Treaty which the Greek courts could have infringed. In addition — and I did indeed hear my honourable colleague say that he does not criticize court rulings — you know that in my country, as is certainly the case in the other Community countries, the courts are independent, they interpret the laws, and naturally their rulings are respected until such time as the legal regime is changed. However, for the present this problem does not exist. There is no question of confiscation of property, because it is well known that, if a transaction is null and void *ab initio*, all that is done is to pay back the sum which was originally paid.

Mr President, this is what I had to say, and I call for a rejection of the motion for a resolution, as it is unfounded.

(Applause from the left)

Mr Wedekind (PPE). — *(DE)* Mr President, ladies and gentlemen, I am grateful to Sir Fred Warner for tabling his motion for a resolution and drawing our attention to this problem. It is a very strange conception which you put forward, Mr Plaskovitis, when you say that freedom of movement should of course exist in the Community when it comes to place of work, but when people wish to establish themselves somewhere for pleasure rather than business then this freedom should cease to exist. This is most interesting! In that case it means that a Greek worker may go to Germany and work there, but a German may not settle in Greece, buy a house there and live off his pension, for example. I find that most interesting ...

(Applause from the right)

Wedekind

You will certainly not get anywhere with an interpretation like that. There is no doubt that it is totally wrong. But what is much more unacceptable — and I put it to you quite frankly — is that you wish to make a distinction between Community and Greek citizens. If we start talking like that in one particular context — by saying, as you do, that a Greek may buy property but a German may not — then we will have to extend it to the whole of the Community.

I would find it unacceptable if we were to expropriate Greeks who, for example, had bought property or real estate in Germany — and what is happening here is tantamount to expropriation!

If in a country with an annual inflation rate of 30 % you want to buy up people's property at a price which they paid perhaps ten years ago, that is expropriation because you have not paid them its proper value. You have brought down the price by currency manipulation and are only reimbursing them with a piece of worthless paper. That is quite unacceptable! That is expropriation, socialist expropriation, which we cannot tolerate. But the most serious aspect is that you are thereby restricting freedom of movement within the Community.

(Applause from the right)

Mr Alavanos (COM). — *(GR)* Mr President, on a point of order: was the speaker speaking on behalf of the Christian Democratic Group, to which the New Democracy Party also belongs? Was he expressing that party's opinions as well?

Mr Nikolaou (S). — *(DE)* Mr President, I do not know if this is a point of order, but I would like to draw attention to the fact that the remarks made by Mr Plaskovitis were not properly understood. I do not know if this has something to do with the translation being incorrect. Mr Plaskovitis only referred to the Treaties and to certain court decisions in Greece. You talk about 'socialist expropriation', Mr Wedekind; is that the right way to approach this serious problem?

President. — That was not a point of order but I shall allow you to speak again, Mr Plaskovitis, if there is something you wish to correct.

Mr Plaskovitis (S). — *(GR)* Mr President, I would like to express my regret and I wonder whether there may not have been an error in interpretation. I cannot understand how I should have received such a reply from my German colleague, when I was simply expressing, from a purely legal viewpoint, how things stand in my country.

Mr Efremidis (COM). — *(GR)* Mr President, Mr Plaskovitis has exhausted both the legal and the substantial aspects of this topic. Naturally, I too failed to understand what our German colleague was trying to say, when he spoke about socialism, confiscations, and so on. It seems that he has failed to grasp the problem and the way it was explained by Mr Plaskovitis.

However, I think that the same applies to those who tabled the motion for a resolution, and I regret to say that among the names of two lords and a prince I see those of lawyers — and indeed eminent ones — who are Members of our Parliament, who have also been misled, and who are concerned because the Supreme Court's ruling has retroactive effect. They must know that any court ruling which is of an interpretative nature can always have retroactive effect. They are also concerned because the former owners of these properties will get them back for the price they were then paid.

However, Mr President, if the foreign citizens have increased the value of these properties, they will be compensated. This is the meaning of the ruling and of all similar rulings: moreover, in the intervening ten or twenty years the owners have had the use of these properties.

Thirdly, they are concerned about discrimination between Greek citizens and nationals of other Member States. It is not my intention, nor that of Greek legislation — and this applies all the more so to the Treaty of Rome — to establish a sort of system of arrangements in favour of nationals of Community Member States and to implement such a despicable system at the expense of an independent country such as Greece.

Mr President, I would like to make a further point. It is surprising that certain colleagues considered this to be an urgent question and asked that it be debated under the procedure for urgent debate, whereas as lawyers they could, if they had wished, have lodged an appeal with the Court of Justice; the question could have been settled there, even if this is not provided for and if there is no possibility of following such a procedure in the case in question, because the Supreme Court — the highest court in our country — would have itself referred the matter to other courts if it had decided that it was not in a position to issue an authoritative ruling.

(Applause)

Mr Kallias (PPE). — *(GR)* Mr President, as a point of order was raised as to whether the Greek Members of the New Democracy Party agreed with what Mr Wedekind said, I am obliged to say that they do not agree.

President. — We take note of your statement.

Mr Gerokostopoulos (PPE). — *(GR)* Mr President, from the Rules of Procedure and on the basis of the information provided by Mr Plaskovitis, it has emerged that this is undoubtedly a legal issue. I think it is imperative not to vote on the motion for a resolution today pursuant to the Rule 48, but to refer it to the appropriate committee of Parliament, which will be able to examine the issue in depth and to submit a suitable motion for a resolution and report to Parliament.

Mr President. — No, there is only one possibility, and that is to withdraw the motion. Otherwise it will have to be voted on, because it is entered in the list of urgent motions. We shall vote on it unless the author withdraws it.

Mr Narjes, Member of the Commission. — (DE) The Commission appreciates the concern caused by the judgment of 8 April 1983 by the Supreme Court of Greece. This judgment, in fact, could also affect Community citizens who have acquired property in those parts of Greece which are designated frontier areas. According to the Commission's information, which is not yet complete, this judgment is based on an interpretation of the Greek legislation on frontier areas, which has already been quoted a number of times in this House, and according to which all real estate transactions concluded by foreigners in these areas are *ex ante* null and void.

Firstly, it should be pointed out that the judgment in question refers to one particular case. The purchase of property took place in 1969, i.e. before Greece's accession to the Community, and was made by a company formed under Greek law, of whose capital 98.7% was owned by a Liechtenstein registered company, i.e. a company which had its base in a third country. In these circumstances Community law did not apply.

Owing to the discriminatory effect of the judgment the point must now be made that Greece must amend its legislation governing the purchase of real estate in the so-called frontier areas to a degree necessary to satisfy the obligations which it undertook on its accession to the Community on 1 January 1981.

(Applause)

It must bring its legislation into line with Articles 7, 48, 52 and 59 of the Treaty of Rome, which give the citizens of the European Communities the right to establish themselves in Greece in order to carry out an economic activity there and for this purpose to be able to rent or acquire property under the same conditions as those for Greek nationals.

As for the question brought up in the debate as to whether second homes or purely private property can be acquired, I must point out that for the moment the complicated problems associated with it have not yet been cleared up. Similar problems still exist in another Member State and are still the subject of discussions. As far as the Commission is concerned we cannot for legal reasons fully go along with everything that has been said here today. Despite the political importance attached to the legislation on the frontier areas the Greek Government is, nevertheless, aware of the necessity to amend it.

The Commission has already made firm representations to the Greek Government on this matter, just as it said it would do in its answer to Written Question No 1953/83 by Mr Welsh, which was submitted to the

Parliament on 5 May 1983. The Greek Government gave us an assurance that it would make an effort to find a satisfactory solution to each individual case until new legislation is passed. Should the Commission, however, discover that despite this assurance no legislation is passed in the near future which conforms with Community law, it will have to decide whether it must start proceedings against Greece under Article 169 of the EEC Treaty for failure to fulfil obligations under the Treaty.

President. — The debate is closed.

*Vote*¹

President. — We have thus come to the end of the topical and urgent debate.

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

IN THE CHAIR : MR JAQUET

Vice-President

5. NCI

President. — The next item is the joint debate on two reports drawn up by Mr Moreau on behalf of the Committee on Economic and Monetary Affairs :

- report (Doc. 1-234/83) on the common position of the Council (Doc. 1-1370/82) on the amended proposal from the Commission to the Council (COM (83) 15 final) for a Council decision empowering the Commission to contract loans under the New Community Instrument for the purpose of promoting investment within the Community (Doc. 1-826/82);
- report (Doc. 1-236/83) on the proposal from the Commission to the Council (Doc. 1-99/83-COM (83) 85 final) for a Council decision implementing the decision empowering the Commission to borrow under the New Community Instrument for the purpose of promoting investment within the Community.

Mr Moreau (S), rapporteur. — (DE) Mr President, ladies and gentlemen, I shall present both texts on which we are to vote this afternoon in a single speech. The first concerns the results of the conciliation procedure and the second refers to the proposal for a first tranche, NCI III.

At the start of this presentation I would like to say that we are asking you to approve the conciliation procedure held between the Council and your delegation. Although the results we achieved are not entirely to our satisfaction and complete disagreement remains

¹ See Annex.

Moreau

between the Council and Parliament on some points, the delegation felt that it should acknowledge the Council's change of attitude in some areas and the good will shown at the meeting in Luxembourg. However, the Council should make no mistake about Parliament's attitude. Although Parliament's delegation has agreed to add its signature to a text signed by the Council, this does not alter the fact that there is still deep disagreement on several points and we shall work, as Parliament, to iron them out in the coming months and years.

The first difficulty stems from the fact that the Council has refused to include in the joint text the notion of the instrument being a permanent one; I must admit that I for my part find it difficult to understand the reasons for which the Council has rejected this idea. We have in fact reached the stage of NCI III; in other words there have already been two NCIs and today nobody would think of doing away with this instruments which has proved very useful for a number of the Community's needs.

That having been said a basic position has been adopted; we have found a compromise formula in which the Council notes the instruments continuity but on the other hand refuses to take the necessary decisions to make the NCI permanent.

We have shown that we regret the Council's refusal to recognize this permanent aspect but we have still agreed to sign a joint text to show how important the NCI and conciliation procedures are in our view.

I would now like to pinpoint the items on which Parliament received a response during the procedure which led to the drawing up of the joint agreement. There are four in all; the raising of the ceiling, the qualified majority vote within the Council for authorizing tranches, specific mention of the financing of investments of small and medium sized businesses and an improvement in relations between the Commission and the European Investment Bank.

This does not mean that there are no major differences between the Council and Parliament on the main point. This is what made us request the opening of the conciliation procedure. It was not simply a question of making the NCI permanent but in particular that of Parliament's wish to be consulted not only on the amount of the tranches but on the general allocation policy and economic sectors concerned, the inclusion of borrowing and lending activities in the budget, and finally the strengthening of the Commission's role in its relations with the European Investment Bank.

With regard to the inclusion of borrowing and lending activities in the budget, this should be done as part of the amendment of the financial provisions. In a joint statement, the procedure under Article 2 of the basic decision is declared likely to be revised

following the discussion on the Commission proposal for the amendment of the financial provisions. The guaranteeing of Community borrowing operations is already a fact since they are included in the budget as token entries. In this regard, the Council committed itself during the conciliation procedure to including in the minutes of the meeting the fact that the budget authority will confirm the tranches authorized under the third NCI when the budget is adopted.

With regard to the aid provided by the NCI, the financing of small and medium-sized businesses, a specific joint statement is not limited to the industrial sector but applies to other production sectors as well, in line with a request by a number of our colleagues. In our view these include services and the commercial sector.

That was the report on what happened at the conciliation meeting on NCI III. Apart from the fundamental points I have just made on the basic decision, the proposal for an initial tranche of NCI III does not call for much further comment in our view.

The main criticism of our Committee with regard to this proposal concerns lack of information. The Commission, which was nevertheless aware of this criticism of the Committee on Economic Affairs acceded to our request by providing us with a list of the loans so far authorized under NCI II the day we discussed this problem. We should of course have preferred to have received this information earlier, in fact at the same time as the proposal of the first tranche of NCI III, without waiting for our request and criticism. In future, Parliament should therefore be automatically informed at regular intervals of the use to which borrowing tranches are put.

The Commissioner, Mr Ortoli, said he agreed to supply us with this information, and paragraph 7 of the motion for a resolution mentions this declaration of good-will on the part of the Commission.

The basic decision also represents a substantial improvement on this subject in that it makes provision for half-yearly information on the current tranche and specifies that the guidelines on the amount and purpose of a new tranche will be indicated at the latest when the total loan signed for amounts to two-thirds of a tranche. In line with the results of the conciliation procedure, it has been specified in Article 4 of the motion for a resolution that the financing of small and medium-sized businesses includes both the industrial sector and other production sectors.

Those, Mr President, ladies and gentlemen, were the main comments I had to make on the conciliation procedure and the basic decision regarding the proposal for a first tranche of NCI III. I therefore ask the entire House to vote for the motions for resolutions contained in these two reports.

Mr Papantoniou (S). — (*GR*) Mr President, the promotion of productive investments is the prime objective of a policy aimed at overcoming the economic crisis and at combating unemployment. The proposal from the Commission to the Council concerning borrowing under the New Community Instrument is a step in the right direction and has the full support of the Socialist Group. In particular we welcome the fact, which is also underscored in Mr Moreau's reports, that the proposal makes special mention of small and medium-sized undertakings, which are accorded priority in contracting loans. The small and medium-sized undertakings have contributed greatly to the creation of new jobs and they deserve to be encouraged particularly in the present economic situation.

Our reservations mainly concern two points in the proposal from the Commission to the Council.

The first point is linked with our demand, which other groups in this Parliament have also made, for better and more complete information both as regards the manner in which the tranches of the loans are used and the Community policies towards the branches receiving the loans.

Our second reservation concerns the need to give the New Community Instrument a permanent character and so to integrate it on a permanent basis into the investment policy of the Community. Productive investments not only help to overcome the economic crisis. They are an essential prerequisite for the long term promotion of economic development and for ensuring full employment.

Both of Mr Moreau's reports contain these reservations, and for this reason the Socialist Group will be voting in favour of them.

Mr Deleau (DEP). — (*FR*) Mr President, ladies and gentlemen, today's debate is more or less an institutional one for our Parliament, and it is fortunate that this is so because it institutionalizes Parliament's role in the Community's borrowing and lending policy.

From this angle, on behalf of my group, I am only too pleased with the conclusions in Mr Moreau's excellent reports following the conciliation procedure between the Council and our Parliament.

Admittedly, as the rapporteur said just now, we have not got everything, but some progress has been made, especially with regard to the decisions which will now be taken with a qualified majority, the possibility of discussing lending tranches, joint signing for loans between the Commission and the European Investment Bank, and finally specific mention of financing of investments in the industrial and small and medium-sized business sectors.

Much remains to be done, but we seem to be heading in the right direction on the three points still outstanding.

As far as the NCI becoming a permanent instrument is concerned, we have not reached that stage yet, but since the continuity of this borrowing and lending policy has been established we can say that a further step has been taken in the right direction.

With regard to budgetization, which is a desirable aim but not one for which the procedure should be blocked, the Council has taken upon itself a commitment, since budgetization is linked with the rewording of the Financial Regulation. Our institution must therefore ask the Council for confirmation of its commitment.

Finally, with regard to the sectors benefiting from the NCI, we know that the Commission is prepared to make way for other production sectors, for example energy, but in particular the small and medium-sized business. No-one needs convincing about the importance of these businesses, which represent 90% of the total number of undertakings in Europe; 70% of employment in the Community depends on them. Consequently, an effort must be made to help them, so let us hope that a minimum of 40% of the tranches will be reserved for them.

The Commission must inform the members of the House regularly on the economic sectors concerned, if only for this reason. Whether we receive the information beforehand or afterwards is certainly not the problem. What we need is constant information as well as information flowing towards these businesses to ensure that they find out about the scope of NCI III. All this is mentioned in both the speech and report of our colleague, Mr Moreau. We shall therefore vote for the motions for resolutions contained in Mr Moreau's reports, and we congratulate him once more on his excellent work.

Mr Giavazzi (PPE). — (*IT*) Mr President, our Group will also be voting for Mr Moreau's two reports. I should like to praise Mr Moreau for having drafted these reports and for having participated, like myself, in conciliation work with the Council of Ministers. I should like to make three brief points of a general nature and one specific one. The first, which is a general point, is that the positive elements of this decision — which it seems to me, are being stressed by everyone, moreover — and by which I mean an increase in the total amount; more purposeful directing of funds; decisions by a qualified majority; and priority to be given to small and medium-sized firms, should also have included a statement on permanency, for which Parliament has fought on many occasions. For the difference between permanency and frequency is by no means negligible; permanency means stimulus, whereas frequency tends to mean aid; permanency means security, whereas frequency depends on obtaining agreement within the Council of Ministers, a by no means always simple task. That is why our Group insists that a declaration on permanency is finally made, thereby overcoming

Giavazzi

the Council of Ministers' reluctance which even during the conciliation procedure appeared strange, given that regular recourse to the NCI is proof that it is needed. Second point: the demand for loans which exists in the Community — demonstrated, moreover, by the depletion of the first *tranches* — makes it necessary for the third NCI to be not only of greater value but above all to be distributed promptly and in a way which is flexible and as least bureaucratic as possible. The very extension of the instrument to small and medium-sized firms embodies this need. It is common knowledge that loans are more effective the more they are distributed promptly, in good time and for a specific purpose. The third point I should like to make is that the good reasons which lie behind the setting up of a third NCI, entailing an emphasis on the search for convergence and integration of economic policies, implies the need for these aims to be pursued not just in the financial field — such as in the case of loans — but also in the general policies of the Community. The more it is aligned with a general policy, the more effective a loan will be; it in the be will effective, if not totally ineffective, if it is not matched by a general Community policy which is consistent and has definite aims, such as we have always asked for: a policy aimed at achieving convergence and integration. Now I have a specific point to make: the extension of the instrument to sectors of production other than industry, which we requested and which was accepted during the conciliation procedure, implies the inclusion of such sectors of production in all their wide variety. This means the inclusion of the services and commercial sectors, which is absolutely necessary, precisely because of differences in the economic situations of the various Member States and because the instrument is being extended to small and medium-sized firms which display an enormous variety.

I believe, therefore, that the interpretation that we on the Committee on Economic and Monetary Affairs have made of this matter may be summed up in an attempt to do what is possible to make loans more effective, as intended by the regulations. I have one last point to make, which is both a statement of fact and a hope. The statement of fact, which has already been expressed by the rapporteur, is that the atmosphere during the conciliation procedure with the Council of Ministers really did improve; my hope is that we can continue on this path for the benefit of our Community.

Mr Welsh (ED). — Mr President, I appear on behalf of my friend, Mr Hopper who very sadly has been delayed and is unable to deliver of his wisdom this afternoon.

The European Democratic Group generally supports the Moreau reports and I really have only three points to make.

The first is that this, of course, has been the subject of a conciliation procedure, and unlike so many conciliation procedures it appears to have been a rather successful one. I think that this is a tribute to the tact and diplomacy of Mr Moreau, who is obviously much better at dealing with the Council of Ministers than many of the rest of us. The fact that the Council did go some of the way towards meeting some of Parliament's legitimate requests is an extremely hopeful sign.

We welcome first of all the priority that has been given to small and medium-sized businesses, especially in this, the year of such businesses, and we are glad to see the Council's grudging but no less useful progress towards the idea of continuity. I also wish to endorse heartily what Mr Giavazzi said about budgetization. It is quite ridiculous that such an important aspect of the Community's activities should be carried on without any sort of democratic check or control outside the parameters of the Community's budget.

Above all, Mr President, what we wish to see with the Ortolì facility is that it should be administered efficiently and effectively. Here we would like to underline the positive role that we feel is played by the European Investment Bank. There are those, I know, who feel that the Commission as a political/economic body should be more closely associated with the actual loan decisions. We tend to regard that point of view with some reserve. While we welcome the idea of the Commission setting political guidelines and establishing principles, we do feel that the subject of operation of loans should on the whole be left to experts, and in spite of the great expertise of Viscount Davignon in so many things, we are not sure that he would be a good banker.

So, with that one reservation, we heartily welcome the Moreau reports and we shall, of course, vote for them like everything else that Mr Moreau tells us to do.

(Applause from the European Democratic Group)

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, the Commission would like to pay tribute to the Parliament's delegation, headed by Mr Pflimlin, which conducted the discussions with the Council during the conciliation procedure. My colleague, Mr Ortolì, and via him the entire Commission, highly appreciated the way in which your delegation managed to combine the firmness required on points such as the instrument's permanent nature or budgetization of borrowing and lending operations, which both our institutions are in favour of, with the flexibility required to move towards the Council's position thus preventing the Community instrument from running into difficulties because, as you know, at one time we might not have been able to carry on with the system.

Davignon

In the eyes of the Commission, therefore, the result of the conciliation procedure is all the more positive in that it poses no threats to the continuation of the discussions, for example, on the question of budgetization which remains outstanding.

Leaving the conciliation procedure aside, the Commission is especially pleased to see that the report by Mr Moreau, whose personal contribution was fundamental, both personally and as Chairman of the Committee on Economic and Monetary Affairs, embodies Parliament's endorsement of a policy we intend to pursue and which we believe to be essential in the present circumstances.

We also agree with Mr Giavazzi who has described to us the effectiveness of Community instruments of whatever kind, but stressed that they had to be part and parcel of a Community policy; if aid was in fact provided, we had to be clear about its purpose.

Questions have been asked about the importance of the small and medium-sized business sector. I would like to stress that the first tranche of NCI II gave broad support to this type of action since 40 % of it was devoted to small and medium-sized businesses, and we aim to continue along these lines.

One worrying point has arisen: would it not be better to break down the NCI into sectors and tranches? We at the Commission hesitate about taking a decision in advance because this might deprive the Community instrument of part of its flexibility and thus of its effectiveness. Let us revert to the example of the small and medium-sized businesses: if we had to set a percentage for the previous tranche, it would not have been as high as 40 % because we did not think it would be so successful. It is therefore difficult to make accurate forecasts. We must maintain priorities and know what we want to encourage without fixing precise limits at the outset.

Mr Ortoli has agreed on behalf of the Commission to provide you with information at six-monthly intervals on the use of NCI III to allow you to check that it is being operated flexibly and that no particular activity is being neglected.

I also hereby confirm that we shall present you in the course of the summer with the annual report on the Community's borrowing and lending activities, which will contain all the information you have asked for.

To conclude, I have the pleasant duty of thanking Parliament and its Committee on Economic and Monetary Affairs, on behalf of the Commission and especially my colleague Mr Ortoli, for the firm support you are providing in following up this activity, which probably could not have developed without this political backing or the close attention paid to the means of implementing this operation.

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

6. Steel

President. — The next item is the report (Doc. 1-238/83), drawn up by Mr Wagner on behalf of the Committee on Economic and Monetary Affairs, on the iron and steel industry.

The following oral questions with debate to the Commission will be included in the debate:

— oral question with debate (Doc. 1-196/83) by Mrs Hoffmann and others:

Subject: The situation and prospects in the iron and steel sector

From 1974 to 1981, 247 000 jobs were lost in the European iron and steel industry and the Commission forecasts the loss of a further 150 000 jobs in the period 1982-1983.

In its general objectives, the Commission estimates that the iron and steel industry will have a surplus production capacity of about 30 % in 1985 (28.5 % for crude steel and 33.2 % for finished products) and that by that date 56 million tonnes of the Community's crude steel capacity and 50 million tonnes of its capacity in finished products will have to be written off.

1. (a) Does not the Commission consider, with regard to the need to combat unemployment, that it should encourage the development of the iron and steel industry within the context of a global and balanced policy of growth? In view of its proposals for the recovery of productive investment, can the Commission state to what extent these proposals are relevant to the iron and steel industry and what it intends to do to boost growth in the countries of the EEC?
- (b) The Commission justifies its restructuring programme on the basis of the level of demand. Does it not consider it necessary to endeavour to boost steel consumption in the countries of the EEC by recommending that wages and incomes be maintained and raised to help bring about an upturn particularly in the principal steel-consuming industries, namely, cars, engineering and building?
2. (a) Can the Commission explain how it manages accurately to quantify its restructuring objectives when its calculation of production capacities appears to be erroneous and has given rise to serious doubts, the ECSC Consultative Committee having expressed the view that the Commission calculated surplus product capacity on the basis of an inquiry carried out in 1981

President

without regard to the closures already scheduled in the restructuring plans?

- (b) Can the Commission state that the restructuring policy that it wishes to implement does not entail risks for the future given that it is difficult to forecast the future steel requirements in view of the difficulties involved in making reliable forecasts and the technological and economic developments taking place during the crisis? Should there be a recovery or an upturn as in the coal sector, is there not a risk that the iron and steel industry may have a short-fall in production capacity in 10 or 15 years' time, or even earlier?

— oral questions with debate (Doc. 1-313/83) by Mr von Wogau and others:

Subject: Bottlenecks in deliveries of steel products owing to restrictive quota arrangements

1. Is the Commission aware that the restrictive quota arrangements for steel products have recently caused bottlenecks in deliveries in the Federal Republic of Germany, resulting in severe problems for firms in the steel processing sector?
2. Does the Commission share the view that, given the continuing excess capacity in the steel industry, there can be no point in restricting the quantity of steel produced if this creates artificial shortages in supplies to steel processing firms; such shortages have already prevented firms from meeting the deadlines for deliveries to their customers, with the result that orders are being withdrawn, short-time working is having to be introduced and jobs in the processing industry are being put at risk?
3. Does the Commission also share the view that these negative repercussions on the processing industry demonstrate the need for flexible quota arrangements that will prevent supplies of primary materials to steel users being disrupted for purely administrative reasons in the future, and what steps does the Commission plan to take in this direction?

Mr Wagner (S), rapporteur. — (DE) Mr President, ladies and gentlemen, the report on combating the crisis in the European steel industry drawn up by the Committee on Economic and Monetary Affairs which has been presented for debate and adoption today is based on several motions for resolutions by various groups and on the decision of the Presidency and Parliament last autumn to draw up an own-initiative report on the state of the European steel industry.

In February this year, the Committee on Economic and Monetary Affairs held a hearing attended by the

undertakings and trade unions of the European steel sector and steel research experts. Very intensive and successful technical discussions have also been held with Commission representatives. The results of this very objective cooperation — and I would like to emphasize this — and the wide-ranging, sincere consultations within the Committee on Economic and Monetary Affairs, for which I thank my colleagues on the Committee, are for a large part reflected by this report and the resolution in particular.

Faced with the worst steel crisis since the creation of the ECSC, we must help those people and entire regions badly hit by this crisis by working together — and I would like to stress this in today's steel debate and in the adoption of the steel resolution, in effectively bringing to bear the European Parliament's political weight in support of the Commission in its dealings with the Council of Ministers and steel undertakings by producing a strong majority when the vote is taken this evening.

It is up to all concerned to give their full participation in these difficult days and weeks during which the burdens engendered by this crisis are to be distributed fairly and vital decisions on current or new restructuring programmes are to be taken which will effect our future.

When these restructuring measures involving inevitable capacity reductions are decided upon and implemented, it is essential that the European steelworkers, who have already had to endure the utmost sacrifices, should not be burdened any further and driven to despair.

(Applause)

We therefore make this urgent appeal to all those with an economic or political say in the matter — and I am sure I am speaking on behalf of all my colleagues on the Committee — to show the necessary European solidarity and act in a socially and economically fair and responsible manner to prevent the social conflict which is threatening and the explosive political situation which is developing. What we must do now is eliminate the fear for economic survival of our steel crisis regions, in other words we need long-term security for our regional steel centres, comprehensive social support provisions and massive regional support measures in order to secure employment and create alternative jobs, as well as to improve the local, economic and social infrastructure. But this also includes wide-ranging efforts in support of basic and higher professional training as well as retraining, which is a way of guaranteeing competitiveness, and these steps I have just mentioned are an indispensable way of guaranteeing by humane means the competitiveness of the European steel holdings and of enabling them to become viable by their own efforts.

Wagner

Because of the lack of time available to me as rapporteur, I shall confine myself to a few main points, and I would like to point out that my colleague and friend, Mr Peters, will deal later with the social support programme, and all social support provisions in particular as rapporteur for the Social Affairs Committee.

The general aims which the Commission has set out for the steel sector are more or less correct in our view, but we nevertheless believe a few improvements are necessary. In addition, traditional trading patterns and the Member States' existing shares in total Community steel production must be taken into account and generally maintained by the restructuring programme. The regional steel centres must be guaranteed for the long term by restoring competitiveness. They must not be allowed to turn into distressed areas.

We also require an extension of the steel crisis management until 1985, as well as consistent application of the EEC aid code and prohibition of the constant undercutting of prices which is partly caused by state subsidies and would not have been possible without them.

I would like to stress in particular that we approve of and endorse the Commission's plans and ideas with regard to social support provisions. The Committee has given its overall approval for a reduction in working time — and I would like to stress this point in order to demonstrate that it involved a hard struggle — and backed with a small majority the introduction of the 35-hour week and a fifth shift; it would be good if we could obtain a majority on this from the plenary session, too, this evening.

The financial instruments — the Regional Fund and Social Fund — need to be vastly expanded. Those regions suffering from the effects of a monolithic coal and steel industry and the Community's frontier and peripheral regions must receive special support.

We expect the Commission to come up with a special trans-frontier support programme running for a period of ten years and incorporating not only aid and support but a Commission agency providing advice and assistance in the implementation of this inter-regional Community model programme. We believe that, in the steel crisis regions, by stimulating the economy adequately with public works and medium-term future investment programmes, new economic activities will develop, new jobs will be created and these regions will be spared the threat of disaster.

I would now like to conclude by emphasizing the following point. A large majority of the Committee has decided — and the plenary session also adopted this proposal with a large majority last year — that European solidarity must be translated into action. We therefore suggest that a European steel conference

should be held soon which should be carefully prepared by the Commission and attended by the Commission, Council of Ministers, trade unions and undertakings in cooperation with the Committee on Economic and Monetary Affairs, so that all the elements of division can be replaced by joint action and our combined energies devoted to the people and the affected regions in order to achieve a humane solution to this grave crisis. Europe will then show her human face and we shall prove that our Europe has not only economic but social and human aspects, too.

Mr Peters (S), *deputy draftsman of the opinion of the Committee on Social Affairs and Employment.* —

(DE) Mr President, ladies and gentlemen, I am speaking to you on behalf of the Committee on Social Affairs and Employment, which has drafted an opinion on the Wagner report. First of all, I would like to refer to a debate and a resolution adopted by this Parliament on 10 July 1980. At that time, Parliament set out the social provisions required for the restructuring process on the basis of a report by our committee. Even at that early stage Parliament said that there were four basic social provisions which had to be implemented quickly: voluntary early retirement, overtime restriction, improved working conditions as a result of a restructuring of working hours and reorganization of shifts. Since then much time has passed, events have become even more dramatic and the situation is socially more explosive.

Since 1974 there has been a 31 % reduction in jobs, which means there are 240 000 fewer jobs. We have found that, as a result of the major surplus capacity still to be found in the European steel industry, according to the Commission's report a further 30 % reduction in capacity is necessary which is equivalent to 150 000 jobs. To each of these steel jobs must be added three other jobs. Judging by this development it is evident that the accompanying social provisions are extremely important. These determine whether the steel workers can continue to believe in the justice and social support of the European Community, its institutions and the politicians who have been elected to this Parliament.

Let us take one example: over a period of two years, the Hoesch company has reduced its 26 000 jobs by 11 000 on the basis of social plans without resorting to dismissals, but there is no further scope on this basis. There are no more steel workers over 58 years of age. We must therefore take these social provisions further and lower the limits, and the committee has referred to four measures in particular. Firstly, maintenance of the normal social provisions of the ECSC Treaty, especially on the basis of Article 56. Secondly a reduction in overtime with appropriate subsidies in all areas where it has become part of the normal wage, for example in the United Kingdom. Thirdly, support

Peters

for those on short-time work must continue because redundancies can be avoided by closing parts of plants for several weeks. Fourthly early retirement should no longer be implemented in the form of various unspecified rights, e.g. by the allocation of unemployment benefit or unemployment relief, but in the form of a normal early retirement. The retirement age can then be reduced from 58 to 55, and in special cases, as for the most strenuous jobs, workers may be allowed to retire at the age of 50.

Our committee also favours a reduction in working time by all other means, including the weekly working hours. It did not make a precise mention of this point but, in the present campaign, there can only be a question of reducing the working week to 35 hours. In the steel industry, this could be implemented by introducing a fifth shift which would make up for the reduction in working hours, and thus save jobs.

The Commission is called upon to reinstitute a medium-term social programme of this type and to provide general funds of about 330 000 ECU in the budget to finance it for the next three years, just as Parliament has done in the past three years against the Council's will. Either we give the steelworkers hope in the social field or they will become bogged down in the hopelessness abounding in Europe.

Mr Moreau (S). — *(FR)* Mr President, ladies and gentlemen, the European steel industry is in a sick state. This would simply be a banal statement if this sickness did not imply a number of consequences which are catastrophic both for our economy and for thousands of people.

We may agree on this diagnosis but we vary on the remedies to be administered to the industry to restore its vitality.

Mr Wagner's report goes in the right direction because in our view it takes account of both economic and social needs and it is this that gains the Socialist Group's approval for all the proposals, even though we would have liked it to go even further in some instances. The decisions which will be taken by the Council of Ministers in the next few weeks are concerned with the employment of several hundred thousand workers and the future of several European regions. The problem of the future of the European steel industry is not a sectoral problem: it affects the whole length and breadth of European industry. The methods of solving it must be part of an economic and industrial strategy for the Community. Any other line of conduct would by its very nature be dangerous and could not guarantee the medium and long-term survival of the steel industry. Apart from the symbolic importance of the steel industry for each of our countries and the Community as a whole, everything possible must be done to ensure the existence of a

European steel industry which is competitive and will guarantee our independence to resist outside pressure.

We await Community decisions, the preparation and implementation of a strategy to help this industry out of its present difficulties, even though they are not dependent on us alone: in fact they depend on external factors to a large extent. To achieve this, we cannot confine ourselves to applying Article 58 with regard to both quotas and prices. We believe that the Community, whilst facilitating the necessary restructuring, must at the same time create an environment which favours cooperation and the coordination of efforts devoted to research and technological development. We also ask for the establishment of the best means of tracing the trend of the European and world steel market so that we shall not be taken by surprise by certain developments as in past years. Without denying the need for reductions in capacity, we would like to draw the attention of the Council of Ministers, whose representative is unfortunately absent, and of the Commission to the risks which will be incurred if we keep our eyes fixed on the short term. Are we sure we will be able to respond to future demand when there is an economic upturn?

The economic and industrial aspects are important but the social consequences are equally essential. We cannot drive the workers of entire regions to despair. We owe them the truth and we must tell it to them clearly. We also owe them hope. Apart from the necessary social measures which must form the core of the industrial strategy for this sector, we must ensure that the regions affected can be brought back to life. Wishes will not suffice: what is needed is action, and in this regard Mr Wagner's report contains a proposal which has our full backing and concerns the Saar, Luxembourg and Lorraine regions. The idea behind this proposal consists in establishing a close link between the transformation of the steel companies and the creation of conditions likely to induce economic development in these regions.

Finally I would like to stress the need to reduce and adapt working time in the steel industry. The aim of the 35-hour week, the establishment of a fifth shift and early retirement at 55 are all provisions which we agree to and which would help restructuring in some cases. In these difficult times, Mr President, in many European regions, the citizens and workers are full of doubt as to the Community's will to maintain a genuine European steel industry as part of regional economic development. For this reason we must be clear about the analysis and the aims we pursue, we must be bold as regards the means and instruments to be applied, and finally we must not cease to affirm the necessary solidarity.

Mr Herman (PPE). — *(FR)* Mr President, ladies and gentlemen, if Mr Wagner is prepared to accept a few of our amendments, my group will vote for his report.

Herman

We are in fact convinced that there is no alternative to the policy which the Commission is trying to pursue: maintenance of the quota system, reduction of capacity, the setting of guide prices, monitoring of imports and negotiations to achieve voluntary reductions, ultimate discontinuation of national aid, and a reinforcement of the Commission's control measures. These are the means we have asked for and endorsed in the past and we shall continue to support them as long as the crisis lasts. Insofar as the Wagner report approves of these means, we shall vote for it. However, we cannot go along with it where it takes the easy way out and recommends measures which, however kind or generous they may be, will only make European steel less competitive on the international market and thus create difficulties for all the European steel consumers, a large proportion of whom are our exporters who carry the burden of balancing our payments.

Since I am a member of the European Parliament and not a national MP one of my precepts has been never to mention problems of an exclusively national nature before this House. I shall make an exception in this case because it is a question of the survival of the Belgian State. After six years of blindness and inexplicable evasiveness in which, contrary to all serious economic analysis, attempts were made to save employment by maintaining and modernizing surplus production capacity without daring to touch the production and manpower costs, which are among the highest in the European steel industry, my country's government now finds itself with the Gandois plan at this fateful hour. The social costs — the loss of 8 000 jobs and the financial cost — 66 000 million — for the survival of a competitive industry are enormous. These must be added to the thousands of jobs already lost and tens of thousands of millions already swallowed up. The final bill has never been cut by postponing inevitable deadlines through lack of courage. Faced with the degree of effort to be applied, national solidarity, which has already been led astray by poor management of the crisis, is crumbling and threatening not only the government but the state itself. As far as the cost of survival is concerned, there are two areas where the Community's aid could be applied: first, the social costs for rehabilitating workers and second, the financial burden of rationalization investments. I make this solemn appeal to the Commission and to European solidarity to make a special effort here, within the scope of the Treaties of course, to help Wallonia at a time when it is in danger of no longer finding the solidarity it needs within the state of Belgium.

Mr Welsh (ED). — Mr President, I apologise to Mr Wagner and to other speakers for having missed their speeches due to a small domestic matter that had to be settled, but I shall, of course, read carefully what they said.

Nobody should underestimate the damage that has been done to the living standards and the prospects of steelworkers and their families by years of misguided politicians who have failed to approach their industry with the determination and clarity required. We are all, I am afraid, in all the Member States, guilty of decades of false promises, of pretending that we could square the circle, of putting off the pain until tomorrow, because we felt we had to be reelected. That is what has produced the state so aptly described as 'manifest crisis'.

There are various ways of tackling the crisis. You can hope it will go away. You can make it worse. You can turn your back and ignore its existence, or you can try and put things right. What we have been doing for the last four years in the Community is trying to put this crisis right.

The fact is that in 1980 we found ourselves, at a time of world recession and falling demand for steel products, with a number of mammoths, with huge capacity, much of it obsolescent, with serious problems of overmanning as well as being hedged about by restrictive union practices. The result of that was that Europe found itself with capacity away in excess of anything the world markets could absorb. Not only that, but we were in the position of competing, with steel of poorer quality and at vastly higher prices, with such efficient producers as the Japanese and others. Unfortunately, there is no human intervention that can suspend the laws of economics for anyone indefinitely, and that is why we are faced in the steel industry with the position we have today.

As a Conservative, I have serious reservations — and so do my colleagues — about any sort of cartel. And, of course, what we have in Europe is a Commission-administered cartel. It sets quotas, it fixes prices and it prevents the market from operating as efficiently as it might. But we have to acknowledge that, faced as they were with the depth of the problem, the Commission and the Member State governments had very little choice.

Therefore we accept this Commission cartel and we accept the idea of intervention in restructuring the steel industry, subject to very important qualifications.

The first qualification is this. We recognize that many many thousands of workers in Europe depend for their jobs on the steel-consuming industries — many more than are engaged in the production of steel itself. It is unacceptable to us that their livelihoods should be put at risk because their employers are forced to buy steel of limited quality at high prices which will prevent them from competing in the tough markets of the world in which they have to operate.

Welsh

There is going to be, no doubt, a lot said about the workers in the steel industry in this debate. I would ask you, honourable colleagues, not to forget the workers in the other industries as well.

Our second qualification and reservation is that we expect the Member State governments to show the political will to grasp the nettle of restructuring once and for all. The Commission cartel is acceptable only if it can be removed, as planned, by the end of 1985. That requires the governments, the unions and the management of the European steel industry to address themselves to the real problem and to take determined action now to construct and create a European steel industry that is competitive, that is productive and that we can all be proud of.

I am glad to say that in my country the present government has grasped this particular nettle. We have shared more capacity in the last few years than any other Member State. It has not been easy. The cost to the taxpayer has been truly enormous. Honourable Members may be surprised to know that the total cost of supporting the British Steel Corporation, paying the redundancy payments for workers that had to be laid off and paying for the plants that had to be closed down in the years 1981-82 comes to a total of about 4 billion. Never let it be said, Mr President, that the present government has not been aware of and contributed to solving the problems of the steel industry!

What do we have now? We have in the British Steel Corporation an organization that is emerging from the tunnel. I am glad to say that if our government is re-elected, it looks forward to selling off parts of the British Steel Corporation to the private sector by the end of its next term. Why? Because they will be profitable and viable again. I think that is something that every steelworker should look forward to, because it means that he will be able to stand up with other workers everywhere, to stand on his own feet, and that will be his achievement.

(Applause)

Mr Bonaccini (COM). — *(IT)* Mr President, for some time the situation in the iron and steel industry has been getting worse and worse. One of the things we have to ask ourselves is whether we just have to accept it or whether on the other hand we have to try to do the impossible to start turning the tide.

It is true that one of the things we have to do is covered by the Community measures to cut back on plants and capacity but in this connection, so as not to accept it just like that, I think it would be a more sensible idea to stop the plants producing rather than to demolish them physically.

The cuts which are proposed are hefty: 30-35 million tonnes. In the case of Italy this means 15 000 jobs and a figure of this size should make us stop and think,

not because we want to criticize or lay the blame elsewhere but on account of the inherent warning it provides for the future.

In the light of this I think that in the future we should try to avoid programmes devised by the firms which are too unrealistic, financial schemes which do not exist or which are simply flights of fancy, and a lack of flexibility when it comes to looking for or adapting to markets.

We have something to say to the Commission as well, and it is not just on account of the many years during which it has made no use, or little use, of the powers conferred on it by the Treaty and was content to be a kind of records office for the firms' more or less voluntary agreements. What we have to say is also on account of the Commission's inadequate response to the behaviour of the governments. On the other hand, there has been some useful work in recent years on quotas and minimum prices and this has instilled some order in the market. The result is an odd example of an organized market. It may be that this was the only one possible at this stage in the development of key industrial sectors, but things are so organized that the market is left with a very minor role. The whole thing is like a corporate set-up which is becoming more and more rigid. This is what prompted our only amendment, which takes a more dynamic view of things and advocates a genuine common market.

There are also one or two points we should like to make for the benefit of the governments and the Council of Ministers. We want their restructuring programmes to become credible, because what has been happening to the programmes of the Italian Government in the last year — and I am not going to say anything about those of other countries — undermines this credibility. We want large and sufficient sums made available to compensate and help the workers, because otherwise restructuring is going to be very difficult. We want to see measures to absorb the redundant in other sectors and we want to see new alternative jobs created. Lastly, we want to see some efforts to get the EIB more actively involved in the capital market, for the reason that considerable sums for loans to firms will be needed for these measures.

It must be said that these measures will involve considerable sacrifice, which will be particularly hard on the people and on the workers, and these would be unbearable unless it could be shown at the same time that they were justified by the efficiency of plants and undertakings and by an adequate balance between surpluses and *pro capite* consumption and production deficits of the various Member States.

This means that we need to create a minimum of social consensus. But this is going to be difficult if you are going to play off, for example, Bagnoli against Cornigliano or fail to come up with a response to the

Bonaccini

social needs which were outlined just now by Mr Wagner and Mr Peters.

We hope therefore that the motion for a resolution and Mr Wagner's excellent work will be endorsed and we hope that in this way we can do something to get sounder and more sensible solutions applied in working out a general restructuring plan for the iron and steel industry.

Mr Mart (L). — *(FR)* Mr President, I find that recently reports have begun to resemble each other more and more, and in fact in a way which I would call irresponsible since they only repeat deceptive ideas which are quite fashionable nowadays. I can only consider ridiculous and extremely dangerous the current notion that the best way to pull ourselves out of the crisis we are in is to work less.

Allow me to explain. The same people as in the debates on the question of unemployment being closely linked to that of overcoming the crisis in the European steel industry which is being discussed now are coming out with the same banal ideas again: full speed ahead into an even more sluggish bureaucracy, more and more openly protectionist tendencies etc., but above all — and this is what is most serious — a deceptive electoral campaign aimed at masses of people who are afraid for their jobs in the steel industry and at the heavy industry trade unions. Reductions in working time without loss of purchasing power are proposed: in short, an easier life, whilst at the same time the right alibi is provided, namely that jobs will be released for the unemployed.

What could be more tempting and more comforting than to work less, enjoy the same purchasing power and, what is more, have an easy conscience by contributing to the creation of new jobs? And the other side of this dazzling policy: the preservation and creation of jobs for better redistribution and other nice-sounding clichés, which, however, only suggest more interventionism on the part of the state. The state takes over everything and we can carry on living exactly as before, as if nothing had happened. All the responsibility is surrendered to others, to the faceless state.

This over-simplistic vision of things, which is unfortunately considered likely to bring in votes, does not provide any thorough solution but only aggravates the situation. First the terrain is prepared for dividing workers into two categories: on one side, the heavy industry workers, who are promised reductions in working time, public subsidies to guarantee their jobs etc., and on the other side those working in the small and medium-sized businesses, who will have to bear all the burdens, because where do you think the states or treasuries with deficits will obtain the financial means to implement this sort of policy? And what will be the result? The sectors on which a country's

entire economy rests will be squeezed to death because it is precisely the small and medium-sized businesses that constitute a country's economic power. Compare the Japanese model with the socialist model of the Eastern Bloc countries.

This is why I can only repeat what I said in Brussels during the debate on unemployment. This is where we arrive at the fundamentals of the problem. No bureaucracy, even an omnipresent one, is capable of obtaining prospective buyers for our products. Everything can therefore be summed up in the central problem of our structures: the crisis of competitiveness. We shall never manage to beat the crisis and unemployment if we remain incapable of winning back the international markets. To enable our businesses to work better, they must produce and sell more at lower prices. Businesses must be relieved of the vast burdens weighing on them which no longer have anything to do with the net cost price. At the time when the United States and the European Community countries were without competition on the world market, we were able to dictate the prices. What could be more normal, therefore, than that our former customers should gradually turn towards other competitors who sell products of the same quality as ours at much lower prices? All that is required to make our businesses more competitive is to relieve them of these stifling burdens. The fact that a good number of them work for very little or no profit at all, that many of our products are subsidized and that the state intervenes every day to help some business or other which is threatened with bankruptcy proves that our very structures are obsolete. We really must get back to a much lower cost price, even if it means that the states gradually have to absorb the charges levied on products.

In my view the state would be better off meeting the charges itself and thus relieving the businesses, which would then be able to produce much more cheaply, operate better and start employing more people again, which would finally make it unnecessary for the state to spend more and more on unemployment benefits.

Only by regaining international competitiveness will we manage to put our steel industry back on its feet properly. There is no alternative.

(Applause from the right)

Mr Gauthier (DEP). — *(FR)* Mr President, ladies and gentlemen, the Wagner report on combating the crisis in the steel industry in Europe presents the opportunity to take stock of the measures introduced by the European Commission since October 1980.

Since that date, the European steel market has been subjected to a system of production and supply quotas pursuant to Article 58 of the ECSC Treaty. After two and a half years' application, what is the actual situation?

Gauthier

First, let us look at prices. We have managed to prevent them from collapsing thanks to the system introduced by the Commission. It is still true, however, that if undertakings are to survive in spite of rising costs, prices must be reassessed regularly and properly adhered to.

Second, the number of tons produced. During the period in which the system has been applied, a series of special qualifying measures have been applied under various pretexts, constituting exemptions from the basic rules which have presented a threat to the original quotas of some Member States to the benefit of others. France, for instance, and the Lorraine steel industry in particular, has thus seen her production quotas regularly whittled away. These quotas give our partners a better deal and, inversely, penalize the French concerns.

Between 1980 and 1982, for example, production fell by 10 % in France but by only 1.36 % in the Federal Republic; the decline of production in Italy, the Netherlands and even Luxemburg was lower. The French steel industry is getting nothing out of it, especially since its production fell by 20 % in the first four months of this year. No wonder the Moselle steel region, which is one of the areas most affected by the crisis, has lost more than 54 000 jobs in the past seven years.

Third, monitoring of external supplies; the bilateral agreements signed with the main non-member states did not sufficiently take into account the major decline in internal European consumption. Between 1981 and 1982, for example, imports from outside the ECSC increased by 33 % for the Community as a whole and by over 60 % for France. Now I understand those demonstrations and the claims made by the steel workers and miners yesterday in front of this Parliament, refusing to accept the closing down of the Lorraine steel industry and the unfair imports of foreign ore, and refusing the abnormal reduction in European steel production to let in steel from outside the ECSC.

The EPD Group demands equal treatment for the various producers under the system and the elimination of artificial adjustments to normal quotas when the system is applied.

Therefore, with the next meeting of the Council of Ministers in mind, it proposes the following improvements. First, a realignment of quotas: namely those quotas allocated to Member States whose relative situation has deteriorated during the period of application of the decisions of 1980 as a result of the numerous readjustments which have been made since. Second, readoption, from July 1983 on, of a system under which quotas, once defined, will not be repeatedly changed at the sole discretion of the Commission.

Third, the institution of a system of external protection similar to the arrangement recently agreed between the European Community and the United States: in other words, one by which imports from third countries are adjusted according to European consumption of steel products.

Obviously, the EPD Group endorses the Community's anticrisis policy but, like the rapporteur, it would also like to see an ambitious social programme capable of preventing the required restructuring from having over-damaging consequences in terms of jobs. To this end, it would like the ECSC budget to be provided with substantial financing facilities such as the ERDF or the 'Ortoli facility', without increasing the burden on the European undertakings. On the other hand, premature adoption of the fifth shift and the 35-hour week on a general basis could distort competition, especially with some third countries, and in the end make matters worse for the industry.

Mr President, I shall conclude by reiterating that what we need is a recovery of the Western economies, greater discipline within the Community, greater supervision of imports and a social programme financed by ample funds; these are the conditions we need to ensure that the European steel industry will still have a future in 1985.

(Applause)

Mr Vandemeulebroucke (CDI). — *(NL)* I shall be extremely brief. As I see it, Mr Wagner has produced an exceptionally good report which is clear, describes the situation very well and attempts to find a solution to the crisis.

It is indeed disturbing that we should have lost 250 000 jobs in this sector over a period of seven years but I have my doubts as to whether proposals of this kind are feasible. For example, we in Belgium have already drawn up and paid for all sorts of plans, but the results have been very disappointing. Recently an independent manager calculated the costs for the umpteenth attempt to save the Walloon steelworks Cockerill Sambre and concluded that it would come to some 2 200 million EUA.

Mr Wagner's analysis is food for thought. He speaks of conversion, the unjustified hope of an appreciable increase in the demand for steel, the continuation of the practice of granting subsidies, which he regards as a dead end, and the fact that other sectors are not being given the necessary chances to develop as a result of this one-sided subsidizing of the steel sector. I should like to say for Mr Glinne's benefit that I realize steel is the backbone of the Walloon economy, but must this situation continue in the long term?

Vandemeulebroucke

One way or another, and this point is also made in Mr Wagner's report, it is, I think, up to the regional bodies themselves to table their own conversion plans and discuss the problem with the European Commission. The Commission does not have the necessary structures for this purpose, but I think it would be a good thing for the Walloon region if it — that is to say, the Commission — could initiate this dialogue and if it had a sound and forward-looking development model which would finally do something about conversion rather than going on investing in one or more plants which should be written off as hopeless in comparison with other steelworks in the European Community.

I hope that Mr Davignon, who is with us here today, will not only enter into this dialogue with a view to saving the Walloon region, since the economic demise of the South would not do Flanders any good either, but that he will also answer a very specific question. According to Article 9 of the Decision, the steel undertakings must report to the European Commission every six months. I should like finally to know the real figures for the Cockerill Sambre works since 1981, since we have never had access to these figures hitherto.

Mr Pesmazoglou (NI). — *(GR)* Mr President, despite the different viewpoints and problems of the countries concerned, I think that the ideas and proposals which have been formulated largely coincide. There can be no doubt that special measures are required to tackle the crisis in the Community iron and steel industry and to ensure a more thorough restructuring of the industry and greater competitiveness.

However, Mr President, please allow me to raise one specific problem which the Greek iron and steel industry is facing. The measures taken by the European Community a few years ago were based on the situation which applied between 1 July 1977 and 30 June 1980. The quotas which were imposed in accordance with Article 58 ECSC were based on production levels during this period, when Greece was outside the European Community; consequently it was treated unfavourably by the European Community, and at the same time its ability to respond to international competition was reduced.

Mr President, our proposal is that the quotas shortly to be imposed, very probably from 1 July 1983, should take into account the particular circumstances of the preceding period and that the criterion for determining these quotas should not be the level of production but the production capacity of the Greek steel industry. Moreover this is both possible and permissible, because the second paragraph of Article 58

ECSC stipulates that the quotas shall be determined on an equitable basis, that is to say after a careful assessment of the particular circumstances. In this case we believe that it is just and necessary that the quotas be determined on the basis of the production capacity and not the level of production during the past years.

Any drawbacks which might result from determining the quotas on the basis of production capacity rather than production will be quite insignificant. Greek capacity corresponds to 1 % — I repeat 1 % — of the entire capacity of the European Community, and at the same time most iron and steel undertakings in the European Community receive substantial invisible or visible subsidies, something which does not apply to Greece.

Accordingly, I think that the problem and the possible drawbacks which might result from the special treatment which we propose for the Greek steel industry will be completely insignificant. I hope that these criteria will be taken into consideration by the Commission when the new quotas are being determined, and I would be grateful if the Vice-President of the Commission could give us a positive answer to the proposal I have just put forward — if not today, at least in the near future.

Mr Heinemann (S). — *(DE)* Mr President, ladies and gentlemen, the vast surplus capacity of Europe's steel industry creates very grave worries not only for the steel workers but for all the people in the steel areas. It has been rightly pointed out that 150 000 jobs will be lost in the steel industry in Europe over the next few years. However, it is not just a question of steel jobs but, as already mentioned, every steel job is the basis for three other jobs, which means that at least 600 000 jobs will be lost in these regions of Europe in the next few years.

Anyone who does not come from a steel region finds it difficult to understand the sort of fear the people in these regions have for their future survival, and this applies not just to employees, which would be too narrow a restriction: it also includes self-employed businessmen and craftsmen — everyone in fact, whether employed or self-employed.

In the report by the Committee on Economic and Monetary Affairs, Mr Wagner calls upon all concerned to do their utmost to save jobs. The steel workers and all the people of these regions are expecting us to try to provide the means of preventing mass redundancies in these regions and, where the number of jobs has to be reduced, to institute social support provisions, and for the regions badly hit by the crisis, to set up special regional programmes; they also expect to see financial aid not leading to distorted prices.

Heinemann

The steel workers also expect European solidarity. Entire regions which do not manage to obtain alternative jobs in the present general economic situation in spite of all their efforts should not be allowed to die as a result of national and regional egoism. We all know about the unsuccessful efforts of local authorities.

The European Parliament cannot fix the working hours of companies in the steel industry but it can serve to form opinion and can influence changes, and in fact speed up the process of change. I am very pleased that a majority of the committee has called for a 35-hour week and the introduction of a fifth shift. I appeal to this House to vote for the Committee's motion on a reduction in working time in the form of a 35-hour working week because I am convinced that this is an important step towards beating unemployment. Anyone who cannot vote for this is only paying lip service to appeals for job security. I ask you not just to appeal to others but to help by giving your support to the efforts of others by way of your own decision. Vote for this motion: I am sure it will give these regions considerable help.

(Applause)

Mr Franz (PPE). — *(DE)* Mr President, ladies and gentlemen, cynical observers claim that the European steel industry was on the point of collapse a year ago. I would say that this is an exaggeration. The European steel industry is not yet on the point of collapse: on the contrary, steel has a future in my view. Steel will still be produced at the main European steel centres in the year 2000, when many of the so-called innovation products of the future such as the magic cube and similar items have long been forgotten.

However, steel manufacture will only have a future in Europe if we are energetic and determined, and use our imagination to create the necessary conditions. The main aim of the European Community's steel policy, and here we fully agree with Vice-President Davignon, must be to restore the international competitiveness of the Community's steel undertakings without state subsidization in a free market.

I would like to stress six points for achieving this goal. First, the market mechanisms must be restored in the European steel industry. Quotas and price controls may hide problems for a while, but as our colleague, Mr Welsh, put it very clearly just now, they are just as ineffective as frontier levies in solving the European steel crisis. The competitive situation of a market economy is the only long-term basis for optimum allocation of our meagre resources to the efficient plants. The profits needed for modernization investments can be earned only in a socially committed market economy if we are to prevent the loss of the European steel industry's international competitiveness.

Second, subsidies and protectionism must be eliminated as quickly as possible. Antiquated and unprofi-

table plants must not be kept alive artificially by huge subsidies. If we recall that in Europe every ton of rolled steel costs up to DM 200 in state subsidies, in other words, up to a quarter of the production costs are reimbursed by the treasury, no wonder things go wrong. Subsidies distort competition and threaten the survival of the entire European steel industry.

Third, surplus capacities in the European steel industry must be eliminated so that modern, profitable installations which can stand up to international competition can be used to capacity. Structural adjustments are urgently necessary, as Mr Bonaccini mentioned just now.

Fourth, greater investments for modernization, improved efficiency and product and process innovation are required as a matter of urgency to allow the European steel industry to keep up with progress in the world.

Fifth, new industries for the future must be set up in the affected regions, especially in the energy and services sector and in the craft sector. Especially important are ways and means of economically replacing imported raw materials and raw energy by means of domestic labour, as in coal gasification, for example.

Large-scale technological changes will occur in the steel industry before the end of this century; blast furnaces and coking plants have no long-term future.

Sixth, the European Community's research funds must be used to ensure that Europe keeps pace with development and thus keeps up with international research. The vast funds required cannot be provided by a single company or even by a single European country.

Mr Wagner's report provides a realistic picture of the European steel crisis. In 1981, the EPP Group's fundamental motion for the restoration of the market economy in the steel industry and creation of jobs in the affected steel regions was rejected by the Socialists. I am very pleased that our Social Democratic colleague, Mr Wagner, has today included in his motion for a resolution, the demands we made then, and so there are now prospects of its being carried by a broad majority. We recognize that Mr Wagner has included in his motion for a resolution a number of amendments we felt necessary and omitted several proposals we could not accept. However, the motion still contains a few items, such as the attempt to introduce the 35-hour week through the back-door, which we cannot agree to, but I would like to make it very clear, Mr Heinemann, that we do not take the view that unemployment can be generally reduced by introducing the 35-hour week. On the contrary, we fear that if this type of thing is introduced too quickly by statutory provisions and general proposals, further jobs may be put at risk.

Franz

I hope our amendments obtain a majority so that Mr Wagner's report will be improved to allow the EPP Group to vote for it. There is a future for steel. I am grateful to our colleague, Mr Wagner, for making a contribution to the future of the steel industry in Europe with his report.

Mr Christopher Jackson (ED). — I want to concentrate on one single issue: the plight of the unsubsidized small and medium-sized steel companies in Britain, Germany, Italy, France and Belgium. Some of them, and I cite Sheerness Steel as an example, are among the most efficient steel producers in Europe. They accept that the economic climate is harsh, that there is overcapacity in steel and that only the best will survive — that is not their complaint. But what they and I find unacceptable is, first, unfair competition from subsidized companies with apparently bottomless purses and, second, the intrinsic unfairness of unchangeable historical quotas. In this year of the small and medium-sized enterprise, can we stand by and tolerate efficient small companies being squeezed out by subsidized and often less efficient large companies? We cannot! Thousands of steel workers are looking to us for any unfairness to be corrected. Their companies are already driven to such a poor financial state that they cannot afford the investment they need to remain efficient and, as some have already shown, the next step on that particular road is bankruptcy and more unemployment.

Now I admire what the Commission has been trying to do. But the hard fact is that if we stick to rigid quotas based on production of several years ago, companies are prevented from following their commercial judgment and altering the relative amounts of the different products that they sell in response to changing market conditions. Arbitrarily, therefore, some companies will be advantaged and other disadvantaged.

Furthermore, unsubsidized companies cannot obviously bear losses to the same extent as their subsidized publicly-owned competitors, and we all know that in several Community countries the huge public steel companies would have been bankrupt several times over if they had not been state-owned. If we do nothing, well-managed, efficient small steel companies will be driven out of business by subsidized competition that is less efficient, less well equipped and even less well placed to meet the long-term future. And I state quite bluntly that this is something we must not allow to happen.

That is why, Mr President, in Amendments Nos 47 to 50 I call on the Commission to take urgent steps to propose a new regulation to permit some sort of quota adjustment. I ask the Commissioner to comment on this in his response. And, finally, I urge this House to support my amendments which are of such vital importance to medium-sized steel companies and their workers right across the Community.

IN THE CHAIR: MRS DE MARCH

Vice-President

Mrs J. Hoffmann (COM). — (FR) The members of the Communist and Allies Group cannot agree with the recommendations of the Wagner report, which takes the view that the continued rundown of productive capacities is inevitable.

This policy has already caused too much damage — both to the industry and to those who work in it. The European steel industry has lost a third of its workforce, and if there is one country which has suffered particularly severely from the policy of integration within the ECSC, that country is France. One only needs to travel through the regions of Lorraine, the North and the Ardennes to realise what the price of this policy has been in terms of suffering and privation for thousands of families. The iron-masters have received tens of thousands of millions from the public purse in order to demolish their plant and increase unemployment. By refusing to modernise, by allowing themselves to be dictated to by the European Economic Community, they have further increased our steel industry's dependence on supplies from abroad, particularly from the Federal Republic of Germany and Luxembourg.

The time has therefore come for a change of attitude, both by the Ten, the Commission and the steel industry.

Our disagreement with this report goes to the very heart of Community policy. All the Commission is doing is attempting to adapt to a market in recession by making its agreement to national modernisation plans and its authorization of state aid to the steel industry conditional on reductions in productive capacity. The Commission is thus attempting to strangle by insisting on harmonisation of national austerity policies. The policy of production quotas itself produces an extremely perverse effect, since it also encourages recession by setting up an extremely rigid and bureaucratic system that forbids any growth in production, even when the markets exist.

During the special part-session on unemployment in Brussels, our Group pointed out that, from 1975 to 1980, 60 000 jobs had been lost in the steel industry in France, and 30 000 in coal-mining. Now, during the same period, through the ECSC budget, the EEC committed 720 million French francs without any strings attached as a contribution to restructuring and investment. This muddle is quite scandalous. Those 720 million francs should have been used to restore the steel sector to health and to create lasting jobs.

In pursuit of its restructuring of the steel industry, the Commission is attempting to force the steel-pro-

Hoffmann

ducing countries to prepare plans for draconian reductions in productive capacity. For this reason it rejected the two most recent French plans, which it considered did not go far enough from this point of view. The Government's new policy has been a source of tremendous hope for steel-makers and the people who live in the worst-hit steel-making regions, who have struggled so hard to defend the productive apparatus. This new policy is, above all, a decision in favour of expansion and growth, the aim being to achieve annual steel production of 24 million tonnes in France by 1986. In order to achieve this target considerable sums have been committed, involving the nationalisation of Usinor and Sacilor and the allocation of state aid to make the steel-producing sector more efficient. As we all know, the Commission has made its own demands known and has asked the French Government to scale down its objectives. What it wants is to bolster its own right of veto and the inequalities that exist within the ECSC by claiming the right to impose production quotas and conditions for public financing so that the modernisation of plant is accompanied by capacity reductions and a further 20 000 redundancies.

Well now, we consider that this right of veto on the part of the Commission is unacceptable. France should be free to take policy decisions without any infringement of its sovereignty. I consider that it should have the right to increase its production quotas, without leaving the ECSC, so that France itself can benefit from the upturn in its economy, because it would be unjust if all the benefits of economic growth in our country went to our competitors abroad. We are firmly resolved to do our best to see that the aim of annual production of 24 million tonnes is achieved, because both France and the Community need a modern, strong and competitive steel industry. Let me add that we stand side by side with the steel workers and the miners who visited our Assembly yesterday in order to say, with a great deal of dignity, that they cannot accept that French steel policy should be decided in Brussels, without any of the real needs of our economy and our workers being taken into account. How can one not be concerned at the fact that the Commission, in spite of all its assurances, bases its restructuring programmes on forecasts which the ECSC's Consultative Committee itself considers somewhat unreliable.

Given a situation of this kind, we wish to make some proposals. The means exist within the Member States to develop the steel industry. The EEC itself could play a positive role by respecting and aiding the efforts of those countries which are striving for expansion and investment and by attempting to bring about a convergence of national economic policies in the direction of growth, and not in the direction of austerity and cutbacks in social benefits.

In this way the Community could make a contribution to recreating the right conditions for growth and

the opening of new markets. The criteria for the use of Community funds should be modified in order to give preference to training and research.

The policy on State subsidies should be managed differently and more flexibly, so as to favour the granting of aid according to other criteria, and, first of all, according to the criterion of investment, modernization and rational use of modern techniques. The Community's own efforts should be added to those of the Member States.

As I said a few minutes ago, France has established an annual production target of 24 million tonnes of steel.

In this context, moreover, we consider that it is absolutely indispensable that the use of iron ore from Lorraine, the extraction of which should be continued and expanded, should be given priority.

Finally, attempts to open up new markets and to encourage steel consumption in France should, quite logically, be of benefit first and foremost to the French steel industry.

Mr Nordmann (L). — (FR) Madam President, I shall say very briefly, in reply to the member of this House who has just taken a very long time to say what she had to say that, recently, Mr Raymond Lévy, the new Chairman of Usinor, who has been appointed by the present Socialist-Communist government, was obliged to admit that the company to the head of which he had been appointed would not be viable without a considerable number of redundancies.

I think that it is necessary to make this preliminary comment, because we are dealing with a serious subject which has, however, been polluted by demagoguery.

This subject can only be approached lucidly if a sincere and honest distinction is made between economic rationality and social measures. I am not suggesting that we should condemn social measures. What we should not do is confuse social measures with the search for economic profitability, which is indispensable.

After this distinction, I should like to add a second, namely the distinction between lucidity and courage. Mr Wagner's report is broadly a step in the right direction, even if, by insisting on multiplying the various options, he sometimes limits its scope. It remains to be seen whether the inevitable work of restructuring the steel industry, to which the Commission has committed itself and which some countries, such as the United Kingdom, have had the courage to implement, will really be attempted. Unfortunately, I am afraid that steel industry policy in the coming years will continue to confirm the all too famous line of Ovid: *Video meliora, proboque, deteriora sequor* (I see better things and I approve of them, but I continue to follow worse things).

Nordmann

By reversing this trend, Europe, which was born of cooperation in the field of iron and steel-making, may avoid dying of it.

(Applause from the right)

Mr Glinne (S). — *(FR)* It is with considerable emotion that I rise to speak on the predicament of Cockerill-Sambre in Wallonia. The fourth consultant called in by the Belgium government, Mr Gandois, has just published a report, part of which has, strangely, been kept secret, which recommends the closure of two of Cockerill-Sambre's steel plants, a very considerable capacity cutback and the loss of 800 jobs amongst those directly employed by the firm and 22 000 jobs amongst those who indirectly depend upon it.

Even before the political decision is taken, such information causes very serious social and political tension. The Gandois report says that saving Cockerill-Sambre or allowing it to go bankrupt would cost approximately the same. For various reasons, therefore, we must opt for saving the firm, all the more so as the Wagner resolution states that: 'The regions concerned must not be allowed to become economic disaster areas as a result of the shedding of capacity in the iron and steel industry.'

It is not my intention to make lengthy comments on the bitter controversy in Belgium on the question of national and/or regional responsibility in respect of five major industrial sectors, including steel. Suffice it for me to note that, as the national legislation stands at present, the national government continues to be responsible, whilst the procedure for devolving these controversial responsibilities to the regions raises vast legal problems, in addition to the question of time limits, which is itself incompatible with the semi-moribund condition of the steel company in question.

So I shall confine myself to saying that the very scale of the financial resources which must be mobilized rules out the idea of concentrating them on one region only, whereas the very idea of solidarity which we recommend in Europe, particularly regarding steel quotas, implies the retention in the Belgian context of a sense of national solidarity which must continue to be effective, at least until such time as the national legislation has been modified to suit all the sectors concerned, and not simply one of them.

I shall now put some questions to the Commission, before the meeting of the Council, which has been postponed until June 16.

Does Article 58 of the ECSC Treaty permit the granting of new quotas to individual companies in order to benefit the weakest of them? Is there any possibility at all of granting exemptions from the rules governing the supply of aid for exceptional cases?

Does the Commission have any opinion, at this moment, on the Gandois report? What view does it take of its contributions to the social aspect of the restructuring of the company in question?

Has Cockerill-Sambre exceeded the Commission's instructions regarding capacity cutbacks?

What is the Commission's reply to the plan outlined by the third consultant, Mr. Vanderstrick?

Does the Commission consider that the notion of an EEC loan of 60 thousand million Belgian francs, reimbursable within 6 years, is legally admissible? Such a loan has been mentioned in some of this morning's newspapers.

What view does the Commission take of its contribution in terms of aid under the non-quota section of the ERDF to the industrial conversion of steel areas or former steel areas, as is recommended in paragraph 14 c) of the Wagner resolution?

How, in the Commission's opinion, should the regional authorities and those of the steel areas be involved in the process, as is recommended in paragraph 20 and paragraph 14 c) of the Wagner resolution and also in paragraph 5 of the resolution which Parliament voted in favour of on 18 November last?

Finally, Mr Wagner has mentioned once again the European Steel Conference which the Parliament recommended during its previous debate, to be precise on 18 November. Does the Commission not think that, though it may be impossible, attempts should still be made to organize this European Steel Conference, as far as possible before 16 June or, if necessary, immediately after the European Council meeting on the steel industry?

Mr Pedini (PPE). — *(IT)* Mr President, ladies and gentlemen, in contrast with the way of thinking of the French Member who has just spoken, I feel that it is a fortunate thing that the ECSC Treaty is the most consistent institutional mechanism the Community has.

In line with Mr Wagner's proposal and as the Commission is doing, I feel that it is right to be as efficient as possible in checking plants, reducing and adapting production, reconversion and production potential. And it is also right to call for maximum efficiency with regard to the social measures which are already under way and which need to be improved and strengthened.

But we shall be failing in our duty as a Parliament if we did not realise that the situation of the iron and steel industry in Europe today has to be viewed in very realistic terms and seen in the light of the developments, and indeed radical changes, which the international market is going through.

This prompts us to say that the Community action has to be seen not simply as a kind of aid remedy but as a bold rethinking of our market, with the idea of definite specialization. Even if the market picks up again, the new countries where the energy costs are low and which have the raw materials are going to cut

Pedini

us out of a large part of the market. If we leave things as they are, the new industrial nations such as Japan are going to overtake us. And while it is true that we have to deal with countries like the USA and Japan and reach agreement with them at Community level, we also have to realise that there is a need for a natural level of competition for the rest of our production.

It is not enough just to modernize and to go into greater specialization. We have to realise that we need new industries of a different kind, and new services, for all the workers — although we hope that they will be as few as possible — that we are going to get from the iron and steel industry. We need more investment in building and transport to get the market on its feet again. We need discipline, of course, but we also need to think a long way ahead, and there have to be proper checks, Mr Davignon, so that the sacrifices are the same for everyone, for public and private undertakings. We have to get shot of those firms which have been left behind by the market and which are just in the way of the reconversion that is needed, and we have to encourage those which are genuinely ready to tackle things in a new way.

One question I feel should be asked is whether we should not demand some form of internal and external discipline from countries such as Spain which are about to join the Community. At any rate, Mr Davignon, if the European steel industry is to become more specialized and to be made competitive, I feel we need some sensible thinking with a view to guaranteeing the best possible resources as regards electricity and also a more enthusiastic approach to scientific research and production techniques.

We have to look into solid-state physics more and study, for example, the combination of steel and polymers which has already been very useful in the case of aluminium. We need to use modern techniques in the area of other technologies, since in my view these techniques have not been developed enough yet.

If we do not try to get to the bottom of this crisis, even the social and employment measures put forward in the Wagner report will be no good at all and will simply turn out to be a waste of resources which are required for the radical change we need. And for this change we need to put a much greater effort into scientific research.

Mr De Gucht (L). — (NL) Madam President, the way in which the steel problem is to be solved — or not, as the case may be — is currently bound up with far-reaching political implications in Belgium. The Wagner report emphasizes the European dimension of the matter and can help us on the one hand to put the problem into its correct political perspective, to get away from the attitude that it is a waste of time

trying to do anything with the Walloons and to examine it from an economic point of view. On the other hand, this European approach forces us to take stock of the steel policy pursued since 1977, which hardly presents a rosy picture but from which we can nevertheless draw a few obvious conclusions.

Firstly, the Commission has almost entirely failed to establish a balance in the market by artificial means as it had wished, in spite of juggling, with all the factors which, viewed objectively, are supposed to determine or upset the market, i.e. prices, productivity and aid. This forces us to regard the idea that it is possible to regulate a market in any way whatsoever, even for a very short period, as highly suspect. The market does not let itself be tied down and the only way in which it can be influenced to some extent is through forces which are themselves active in the market, i.e. the undertakings. The Commission has tried to play the sorcerer's apprentice here and we all know what happened.

Secondly, the Commission has time and time again had to go back on the deadlines it had fixed and in each case this went hand in hand with increasingly gloomy prospects. This is further evidence of how difficult it is to predict developments in a particular sector, even in the reasonably short term, and this point is particularly relevant in view of the grandiose plans to save this sector which will shortly be landing on the Commission's desk. They will be based on the forecasts — but with a bit of optimism thrown in for good measure, since if the forecasts subsequently turn out to have been correct, this will be an unprecedented development.

Thirdly, the Commission is not succeeding in getting the national governments to abide by its aid code. Everyone is playing with the concepts of production aid and investment aid and implicitly counting on the collusion of everyone else. Thus, the implementation of an aid code would appear to be very difficult in practice, which means that we are forced to draw a number of conclusions at this crucial point in the history of the steel industry.

Firstly, the Commission should never have tried to control all the market factors. In practical terms, it should have left prices alone and have viewed the quotas more directly in the context of the restructuring which took place and where the conditions to which the granting of aid was subject were stricter. As long as price agreements are made by those who are active on the market, i.e. the undertakings, they contain a dynamic element. If you lose this link, it soon becomes an excuse for disregarding every market principle — certainly in a situation where there is a stronger link between the undertakings in question and the government, which automatically leads to the political component taking priority and the economic aspects being in most cases completely disregarded.

De Gucht

Thus, the first question we might ask the Commission in this context is whether or not it would have been better if it had left prices alone? If there had continued to be competition in this respect, would not the situation have very swiftly developed in the direction of agreements between the undertakings? Why did the European Commission regard the break up of Eurofer as irrevocable? If the Commission had not immediately intervened at that time, would not nature have taken its course, i.e. the weakest would have fallen by the wayside and the intrinsically viable would have found each other without outside help? In other words, did not the Commission's price intervention increase the amount of dead wood?

This brings me to a second question. Is there a way back? When assessing the national restructuring plans, can we not return to a system of voluntary price agreements? The restructuring plans should logically paint a picture of a European steel industry which is adapted to demand and which works according to the principles of profitability. Can the industry not work out things for itself? And would not the knowledge that it had to work things out for itself, mean it would be somewhat more rigorous in its restructuring plans.

My second conclusion is that it is probably a mistake to regard forecasts as established facts and take them as the basis for restructuring. If reorganization is to be successful, it must bring about a theoretical shortage on the market, and this is something which the Commission has never aimed at. There is no reason whatsoever to assume that the Commission has hit the nail on the head with its latest forecasts, unless it can provide proof to the contrary. In fact, the Commission has itself admitted that no forecasts are possible for the period after 1985, although in theory the restructuring should have become a reality around that time. Nor is there any reason why the Member States should now suddenly start respecting the deadlines after deliberately putting things off up to now. The question therefore arises as to the extent to which the Commission still regards its proposed deadline for restructuring as realistic? The Gandois plan at any rate works on the assumption that this is not the Commission's view, and if it is, what about the plans which the Member States are postponing. Either the Commission has made a mistake in the date — in which case it must revise it — or it has not, in which case the margin allowed will be interpreted very freely. Or else it still regards this date as realistic and necessary and must therefore insist that the deadlines are respected. It should indeed have been possible to stick to the original deadline, but in that case the Commission should have stipulated a much earlier deadline for submitting the restructuring plans and for the decisions regarding them. Why did it not in fact do so. If the Commission wishes to regulate aid measures, it must be more uncompromising as otherwise things will drag on for ever. Politicians know no

bounds when it comes to freedom of interpretation and the Commission has undoubtedly been easy-going with the Member States on this point, and Belgium is no exception. If the Commission continues with this indulgent approach when it comes to assessing plans for the steel industry, this will have far-reaching implications. We must ask the Commission whether it intends to take a firmer line in future, and the question of Cockerill-Sambre can in fact also be considered in this context. All that is needed is to fill in the name of the undertaking. We have reached a crucial stage in this matter too and a great deal of political discipline is required — which means, among other things, that when the bill is presented, the politicians involved, particularly the Walloon politicians, must be made aware of their responsibility. If they are obliged to go and get some of the money from the very people who are breathing down their necks, they might perhaps think twice in future before spending thousands of millions as if it were chickenfeed.

Mr Griffiths (S). — Madame President, there is much in the Wagner report on the continuing crisis in the steel industry that is to be welcomed. Its strong insistence on the need to provide alternative employment, retraining and social support cannot be over-emphasized, bearing in mind the massive job losses that have taken place and are still taking place in steel areas. The problem is compounded by the knock-on effects on other businesses and industries. This can mean, in areas heavily dependent on the steel industry, like South Wales, that steel job losses are matched almost job for job by losses in the rest of the regional economy. Thus the heart is ripped out of the region as adult unemployment spirals beyond 20 % and 90 out of every 100 school-leavers fail to find full-time employment. In this situation, it is imperative that the measures required to combat the crisis in the steel industry should accompany restructuring and not follow it a year or two afterwards.

I would look for a cast-iron categorical assurance from the Commission today that this will be the case and that no job losses will take place before plans for alternative employment and training are ready to be activated. Without such an assurance, a major objective of the report will have been emptied of meaning.

The report points out that the Community institutions have suitable instruments at their disposal to enable them to tackle these problems. Where it falls short, however, is in its failure to emphasize the pathetic under-financing of these instruments to enable them to be used effectively in the struggle to overcome unemployment in the steel crisis areas. The blunt truth is that the money is not available and, with the Commission's budget close to the point of bankruptcy, it is not likely to become available in the near future. I would, however, dearly like the Commission to give an assurance today that my statement is

Griffiths

not true. I would love to be wrong, but all the evidence, and particularly past experience in South Wales, points to insufficient funds to meet the needs of workers still on the unemployment scrap heap, years after being declared redundant. If every ECU of non-agricultural spending was made available, it would still not be enough to deal with the problem. Such is its scale.

The report is also well-intentioned but ambiguous on the crucial point of how capacity reductions in the industry are to be shared out. Everybody knows that since 1979 the Tory Government in Britain has slaughtered the steel industry along with many others on the altar of 19th century free market ideas which no other country in the EEC pursues, at least not with the same ferocious fanaticism. My Socialist colleague, Mr Wagner, has tried to deal with this by referring to the need to take into account efforts made since 1977 to restructure national steel industries. Since 1977 the United Kingdom has accounted for 50 % of the steel redundancies in the entire Community. However, there is no doubt that should the British electorate opt for another bitter dose of Tory medicine, a Tory government would use a later reference in the report to existing shares of the market to make further cuts in British Steel Corporation manpower and capacity. This would leave the British steel industry permanently crippled and perhaps even on its deathbed. There is no doubt in my mind that the Tories would use the current difficult situation to close down completely another steelworks in the UK. Who can tell whether it would be in Scotland, Wales, Yorkshire or the North-East? They are looking for an excuse to close down another steelworks in the UK and, unfortunately, the ambiguity of paragraph 2 (b) of the resolution could help to justify such an action.

The Wagner report is, on the whole, a positive contribution to dealing with the consequences of the steel crisis. It does not point out, however, that this crisis is largely a self-inflicted wound, that the rampant monetarism of the majority of right-wing governments is making the steel crisis worse and that without an end to monetarism and an expansion of demand in the economy the steel industry of the Community, and of the UK in particular, will wither away like a vine in a drought, so scorched as never to grow again. The Community itself will go the same way unless it shows real solidarity with its workers.

Mr Estgen (PPE). — *(FR)* Madam President, ladies and gentlemen, who would not want to participate wholeheartedly in the struggle to overcome the crisis in the European steel industry, who would not want to look for some flicker of hope? All the same, I prefer to say straight away that the report which has been submitted to us, all things considered, falls short of what we expected of it.

The gradual worsening of the international economic environment and its serious repercussions on the social situation, particularly on the labour market in the steel industry, should be enough to prevent any politician from sleeping soundly at night. When we speak of the prejudicial effects of the crisis in the steel industry on other economic sectors we tend, perhaps, to think rather too much of the industries located downstream and upstream of steel-making: for example, those which depend directly or indirectly on steel as customers or suppliers of the steel industry. For my part, I am almost equally concerned about the small and medium-sized companies, of which, many, although at the moment they are in very good shape, could soon be seriously threatened by the measures which have been adopted to cope with the steel crisis. So I think we need to be very careful in the strategy we adopt for this struggle.

One of the main achievements of the European Community has been peace; peace between the Member States, but also internal peace, that is to say, social peace. I am very much afraid that this social peace will be threatened if we do not find — and find very soon — workable solutions for the steel sector. Another thing that worries me is the delay, and indeed the total halt, in the process of European integration and enlargement of the Community, as well as the risk of an unprecedented recrudescence of national egotism, precisely as a result of the difficulties in the steel industry. If we want to give new impetus to the European steel policy, we need long-term investment planning and prudential coordination between the different plants, so that none of our steel-making regions ends up as an economic disaster area. Of course, we shall also need to make cutbacks in capacity. Nevertheless, we really must ask whether the Commission's estimate, according to which the European steel industry will have approximately 30 % excess productive capacity in 1985, is really accurate. The truth is that the Commission bases its estimates on the present state of demand in order to justify its restructuring plans, but it is very difficult to make an accurate assessment of future requirements in terms of steel, given the difficulty of making reliable forecasts and given the economic and technological change which is resulting from the measures we have adopted to combat the crisis. When an upturn comes which is always possible, we should not run the risk of seeing our steel industry hamstrung in ten or fifteen years' time for lack of productive capacity. In a word, what we need is a highly experienced expert to look at the situation in all the Community steel industries, and, as Mr Jean Gandois, the previous chief executive of Rhône-Poulenc and Sacilor, has already carried out studies for Arbed in Luxembourg and Cockerill-Sambre in Belgium, and as these two countries have decided to accept his advice, I should like Mr Gandois to look at the European steel industry as a whole.

Estgen

The Commission's aim is to take the necessary steps so that by the end of 1985 the European steel industry will be in a state of financial equilibrium, or even restored to profitability, without needing public subsidy. In approaching this matter, the Commission should take account of the efforts that have been made, as well as the economic, social and political impacts of these efforts in each Member State. In estimating capacity, the Commission has taken 1980 as its reference year and hopes to achieve a cutback in capacity of 15 % to 21 % for Europe as a whole. But by taking 1980 as its reference year, it is penalizing those companies which began to cut back their productive capacity much earlier than others in order to restore the market to health, which is particularly unjust.

As regards the question of aid, although it has made an effort to be objective, the Commission's reasoning is similarly subject to some caution. So it is only logical that Luxembourg should oppose the Commission's excessively precise or inequitable demands with regard to the Grand Duchy. It has been said that Luxembourg depends on steel for its survival just as Egypt depends on the Nile — and it is true — and I think that, from that point of view, account should be taken of the special situation of Luxembourg because of its size, the considerable proportion of its overall industrial activity which is accounted for by steel-making and the colossal impact which the steel crisis has had on the economic situation of the country: between the end of 1974 and the end of 1982 steel production in Luxembourg fell by almost 42 %, as compared with a Community average of 20 %. So it is not reasonable to stipulate uniform global levels of production cutback for all Members of the European steel industry. Given that we began to reduce output earlier than most of our neighbours, I think that it is reasonable to expect our foresight to be taken into account.

We cannot tolerate unfair decisions resulting in unacceptable discrimination against our country, which has obeyed the rules of the European game with the utmost seriousness. Because what we must not forget even if my remarks may have given the impression of a certain amount of nationalism — is that 26 % of the population of the Grand Duchy consists of foreigners, Europeans, and that 35 % of the industrial labour force is made up of immigrants from Member States of the Community: Italians, Frenchmen, Germans, Belgians and Portuguese. So to plead the Luxembourg case as regards the steel industry and the economic crisis is really to plead for a European cause.

Mr Abens (S). — (DE) Madam President, I shall concentrate on regional policy aspects whilst bearing in mind the importance of the economic and social

demands contained in the Manfred Wagner report. The 35-hour week and retirement at the age of 55 are demands which do honour to the Community because they concern workers who very often have a difficult working life behind them or face a good many years of work in an industrial sector in which the jobs are often not the healthiest and safest. I note with great satisfaction the demands for an increase in the resources of the Regional Fund, and in particular the non-quota section. Furthermore, the integrated regional development programmes, especially in the frontier regions within the Community, peripheral regions and those with a strongly marked dependence on a single coal and steel structure are of major importance, and especially for Luxembourg. Several times over the past few years I have had the opportunity to explain to this House the existential problems facing Luxembourg as a result of the steel crisis. I shall not revert to these problems but I shall once more mention the following facts, which my colleague Mr Estgen has already drawn attention to.

First, the major importance of the steel industry for Luxembourg's economy. About 25 % of industrial production and over 50 % of foreign trade is represented by this industry.

Second, there are very many French and Belgian workers employed in the Luxembourg steel industry. At the moment, they make up about a third of the labour force.

Third, consideration should be given to the major efforts and sacrifices made by Luxembourg since the beginning of the crisis, i.e. since 1975, in the restructuring of her steel industry. From 1974 to 1980, Luxembourg reduced her gross steel capacity by 15 % compared with an increase in the Community's capacity of 14 %. Luxembourg's rolled product capacity was reduced by as much as 18 %, whereas the Community's capacities in this product increased by 11 %.

I would like to stress that this crisis has existed since before 1980. The Commission made urgent appeals to restructure before that time, which Luxembourg's steel industry complied with. These facts must not be ignored by the present Commission.

Those countries which have made sacrifices — and I stress — in compliance with the Commission should not be punished. I therefore appeal to the Commission again to be fair in considering the restructuring carried out in Luxembourg before 1980.

Fourth, the most reasonable proposals which Luxembourg made in Brussels a few weeks ago should be taken into account. They are based, among other things, on the fact that Luxembourg's steel industry cannot survive below a minimum capacity, and this limit has been reached in those proposals.

Abens

Finally, Luxembourg would like to remain what it is: a region of the Community in which four — and I stress — four European nations meet each other in their daily work. For a region such as this, Manfred Wagner's proposal to draw up and fund a special 10-year development programme for the coal and steel region of Lorraine, Saar and Luxembourg is extremely important and I give it my wholehearted support.

Mr Konrad Schön (PPE). — *(DE)* Madam President, ladies and gentlemen, in the short time available to me I can only make a few points. I do not think we can separate the steel crisis from the overall crisis of economic, finance and monetary policy from which our Community is suffering. I am not of the opinion, for example, that the social market economy is a holy cow or that we should base our ideology on state controls or protectionism, etc. In my view we should allow regulative principles as laid down in the Community Treaties to come into effect again in our steel policy, too. In this connection, I support Mr Wagner's appeal for a joint approach to this problem. However, we can only do this if we realize that the steel crisis can only be solved by making progress in the new policies which have so far been denied to the Community for financial reasons. Those who lament here about the social plight of the steelworkers and at the same time create problem in other political areas of the Community, and in some cases even campaign to get their own country out of the Community, are not contributing towards a solution to the steel crisis in Europe.

My second point — and here I agree with the previous speaker from Luxembourg because I, like Mr Wagner, come from the Saar — is that I think I can say from experience that an area which has been completely torn apart from being an economic and geographical whole by the historical and now artificial frontiers of the national states is a perfect place for implementing *Community policy* right in the heart of the European Community. This is where it could be tried out. But, of course, not without giving the Commission the means to do so — I would like to make this very clear.

A third point which I think is important is that I believe the proposal in the Wagner report — and I say this as a member of the Committee on Budgets — that the existing financing instruments and various funds should be coordinated better could certainly be useful. However, I must add that there is no question of punishing those who previously tried to introduce the restructuring process by their own efforts, and therefore the quota provisions cannot simply be applied administratively and schematically or the subsidy policy assessed accordingly. Our aim — and here I fully agree with Mr Wagner — must be to restore competitiveness, to stop and abolish once and

for all the subsidy race and to revert to the principles laid down in the European Coal and Steel Community which have helped to make this Europe a major economic and trading power.

(Applause)

Mr Hutton (ED). — Madam President, this morning the British Government approved the British Steel Corporation's plan for the future of the steel industry in Britain. In that approval it reaffirmed its confidence in the future of a steel industry in the United Kingdom under the umbrella of the European Community. It confirmed its previous decision of last December that it would keep in operation all five big integrated steel plants in the United Kingdom, and that includes Ravenscraig in Scotland. This British Government has given the Ravenscraig management and men a chance to prove that they can make the best steel in Britain, some of the best steel in Europe, and the men have proved that they can do it at a profit. Madam President, they are doing that now. They have responded magnificently to the chance that the present government has given them.

I think that this morning's announcement destroys the rather lonely concern of my Welsh friend across the Chamber and his effort to throw dust in the eyes of the British people. Perhaps if any of his concerned British Socialist colleagues had been here to support him, they might have reminded him that the last Socialist government closed two of the biggest steel plants in Wales, Ebbw Vale and East Moors in his own constituency. Even a Socialist government can be forced to face reality.

Part of today's announcement was the approval of a 36 million pound investment in a new continuous casting plant at the Clydesdale Tubeworks in Scotland. Does any open-minded Member here honestly think that that is the action of a slaughtering government? Let me emphasize, Madam President, that the one sure way to stick a knife right into the heart of the steel industry in the United Kingdom would be to rip it out of the European Community as some of my friends opposite would do, and destroy the strength we gain from it in dealing with a big hard world outside.

Mme Vayssade (S). — *(FR)* Madam President, the number of persons who have spoken in this debate shows to what extent the problem of the steel industry is a vital problem in Europe.

I represent the region of Lorraine in this House. For 15 years now this region has paid a very high price for the restructuring of its steel industry — both in terms of the decline in steel production and in terms of the reduction in the number of persons employed in this industrial sector. To ask further sacrifices of this region would be to raise socio-economic problems on an unprecedented scale and would constitute a chal-

Vayssade

lenge to regional planning policy and to both French and Community regional policy. I should like to draw the attention of the Commission and of this Assembly to the problem we are faced with.

I think that we need a coordinated policy at the European level, but I should like to stress the conditions that this policy must satisfy.

First of all, it must guarantee the defence of the European market on the world market, in particular through aggressive measures in the field of research and through the invention of new products within the steel industry. In the second place — and this seems vital to me — it must guarantee equilibrium between the Member States, not only in tonnes of steel produced but also as regards the type of product, so that we do not end up with too high a degree of specialization in each country, which would be prejudicial to the interests of the steel industry in our various Member States. This policy should be implemented as part of a process of consultation and information which should be much longer and much more detailed than anything that has been attempted so far. In the third place, it should guarantee regional equilibrium and should take account of regional specialities. The old steel-producing regions are not obsolete: they must be helped to retain their production potential, to modernize it, and to retain the steel industry as their basic industry.

I am in full agreement with the resolution in the Wagner report calling for inter-regional Community measures involving all of the Member States. There is no doubt that in regions where the employment structure is comparable, where the problems are comparable, an attempt should be made over a long period to arrive at common procedures. For example, in the three regions of the Saarland, Lorraine and Luxembourg, there is the common problem of frontier workers — French workers who work in Luxembourg, Belgians who work in France and French people who work in the Saarland. Finally, I want to plead in favour of a social policy which will be inseparable from the economic policy, which must be an integral part of it. But I shall not repeat what has already been said in this field regarding the reduction in the working week, amongst other things.

As a person born and bred in Lorraine, however, I should like to emphasize that it is a pity that the iron ore mines have not been brought within the sphere of competence of the ECSC. If we are to retain the Community's production capacity of the raw materials it needs, we should be informed very soon what the Community intends to do regarding the question of supplies of ore. It must show that it is capable of retaining what it already has within its own territory, of exploiting it and of developing it.

(Applause from the left)

Mr Brok (PPE). — *(DE)* Madame President, ladies and gentlemen, Mr Peters, speaking as deputy

draftsman of the opinion of the Committee on Social Affairs and Employment, was entirely right in pointing out that, because of the inevitable need to reduce capacities, a number of social provisions are necessary with regard to retirement, a fifth shift, etc. Nevertheless, we must realize that the problems of the steel industry depend on whether the provisions for restoring the steel industry to a healthy state are actually implemented in a serious way. I have strong doubts as to whether the present practice will end in 1985 and tend to believe that the current system of subsidies and agreements will be continued by the Commission working in collusion with several Member States and steel producers. This way, funds needed for structural measures will be wasted in maintenance subsidies.

I also believe that the governments of the Member States should be called upon to make public all their restructuring plans once and for all. Government controls in steel policy have dragged us ever deeper into the quagmire, and this is why, for example, the steel processors too are now in difficulties in the wake of the steel producers' labour market problem.

The firm aim of Community steel policy must be the restoration of international competitiveness. In the operational sphere, the necessary restructuring processes require modernization investments, higher efficiency, product and processing innovation as well as the elimination, once and for all, of production capacities whose preservation is not justified by medium and long-term prospects for demand.

The necessary restructuring of the steel holdings will probably not be completed before the end of 1985, precisely for the reasons I mentioned while levelling my criticism just now. By that time, the crisis programmes will probably have to be continued, otherwise the still existing surplus capacity will engender a new struggle for production quantities under the economic compulsion to reduce costs by greater use of capacities, and the market prices would suffer a sharp decline as a result.

The system of voluntary binding quotas as set out in Article 56, with all the possibilities of controls and sanctions, the inclusion of trade in the price regulations of this system, and external trade support must all be maintained until an end has been put to the practice of subsidies. This system should be made flexible by allowing quotas to be purchased and exchanged for a guaranteed period. However, several aspects of the system should be revised. This means that the accumulated production quotas for the different Member States should be fully revealed and the traditional trading channels within the the Community maintained, but these quotas must be

Brok

distributed nationally and not plant by plant, and above all no distortion of competition should be allowed to ensue from price undercutting caused by States absorbing losses.

In its approach to prices in the steel sector, the Commission should base its calculations on the overall costs of a well-run modern steel plant, as when basic prices for imports are laid down. Only this type of free economy solution will enable us to get the crisis under control.

(Applause)

Mr Halligan (S). — Madam President, there is a very clear need for the continued management of the crisis situation in the steel industry, for market forces on their own will not produce either stability or recovery. This is evident from past experience, when excess capacity led to disastrous price-wars throughout the Community thereby threatening the very existence of the entire industry. So while there is an obvious need to reduce overall capacity and for Member States to make sacrifices in this regard, special situations cannot be ignored. For example, a country with only one steel plant — in effect, one production line — is clearly limited when it comes to capacity reductions. Such a case is Ireland, where the Irish Steel Holding Company provides not only many jobs in an area where they are needed but also produces merchant and reinforcing bars for the building industry. It has increased its capacity recently in order to effect economies and to make the Irish building industry less reliant on imported materials. It must therefore be permitted to maintain its current output levels and potential. Otherwise the regional impact on employment in the Cork area will be disastrous, as will the national impact on the balance of payments. Clearly this is a matter which is of vital interest to the Irish economy and the new production quotas must take this into account.

Mrs Nikolaou (S). — *(GR)* Madam President, I also would like to thank Mr Wagner for this important report which he has tabled. It is clear from it that it is the long-established, large steel industries which are bearing the brunt of the deepening crisis in the Community steel industry with about 250 000 jobs lost so far and another 150 000 workers faced with the spectre of unemployment in the immediate future.

The unemployed in the Community's large steel-making centres have our full sympathy and our solidarity. But in this connection attention must also be drawn to the special importance of the steel sector for the industrialization of the less developed Member States, and consequently for providing employment for the workforce of these countries, which is at present under-employed and forced to emigrate. No-one can deny that industrialization cannot take place without the development of the steel industry,

which is a basic branch of economic infrastructure with vast vertical and horizontal interconnections. And indeed, when we speak of the development of the Greek steel industry, we are speaking of dimensions which would not represent more than 1.5 % or 2 % of the Community steel industry. But its present level of development is unacceptably low. Greek production and capacity are about 1 % of the total for the Community and mainly meet the requirements of domestic economic activity.

On the other hand, there is considerable scope for increased demand, since the annual per capita consumption of steel products in Greece is 190 kg compared with an average of 440 kg for the whole Community. At present about 55 % of the demand generated by the domestic market is covered by imports. From the rest of the Community alone, 450 000 tonnes of steel products are imported every year.

Countries like Greece should not only maintain the present level of production but should develop their steel industries to a level which will guarantee a viable industrial structure. This is essential if we really wish to bring the economies of the Member States closer together and safeguard the continued and further development of the European Community.

For this reason it is logical that, as part of the programmes for restructuring and reforming the Community steel industry, the same restrictions should not be imposed on the Greek steel industry — which is in the initial stages of development — as are imposed on the old-established and highly developed steel industries of the Community.

We have tabled amendments on this and hope that the House will appreciate our point and vote for them.

Mrs Lizin (S). — *(FR)* Ladies and gentlemen, I wanted to speak last on the question of the steel industry in order to remind you of the social crisis which my region, Wallonia, is experiencing today, and in particular, perhaps, the area around Liège.

It has been said that the ECSC should provide financial aid for the retraining of workers and aid for investment in industrial reorganization. Some people here have tried to make out that this is some kind of new initiative: it is nothing of the kind, because it is the duty of the ECSC to provide such aid. On the other hand, however, something new must result from this initiative and we call for a Conversion Fund for the non-steel sector, to be devoted in particular to Wallonia.

I have withdrawn some of the amendments I had tabled calling for special treatment for Wallonia and in particular that the plant closures which have been decided upon should be frozen because I should like the Wagner report to be adopted by the largest number possible of those present in this Assembly.

Lizin

But I should also like to ask the Commission what it thinks of the Gandois report, of which it is being said already that, whatever the manner in which it will be implemented, the Commission's decisions will not be respected as regards the procedure for aid and financial profitability in 1985. So I should like to hear what Mr Davignon has to say on this point.

Mr Davignon, Vice-President of the Commission. — (FR) Parliament has had to deal today with a particularly serious question, the status of which will depend on the way Europe tackles, or does not tackle, the problems of the steel industry.

The debates that we engage in in this House do not always reveal such a direct link between what we shall do and what we shall not do and the lives of the peoples of the Community. For this reason, I think that the Commission is justified in responding to the Parliament's initiative, because it was Parliament which took the initiative of organizing this debate and preparing this report, for which the Commission is deeply grateful, and so, as I said, it is right that the Commission should respond by addressing itself first of all to the human situation and the situation in the regions, and not to the more technical problems of restructuring or the implementation of Article 58. I think that when we are dealing with such serious and vital questions we should never lose sight of the human dimension to the problems which we are faced with.

What can the Community do in this field if it has the willpower, if the Council takes the decisions it should take, and if the work we engage in together is carried out with perseverance, continuity and clarity of purpose? Obviously, we need, first of all, to turn to the *volet social*, which was won after considerable struggle, during which the Commission and Parliament were united in insisting on the transfer from the EEC budget to the ECSC budget of the financial resources needed to tackle the most immediate problems, that is to say, those which will help workers in the steel industry to be better placed than any other workers in the Community when they have to suffer the ordeal of losing their jobs, in whatever way that may happen. This is why, for the time being and in accordance with what the Wagner report recommends, the Commission has suggested that the social side to the Community's activities should be financially buttressed with up to 300 million units of account.

The battle to obtain this sum of money will begin when the 1984 budget is submitted and Parliament should not be in any doubt that the Commission, for its part, will be inflexible in its dealings with the Council, so that a project which was necessary at one particular moment will be maintained at a time when it has become even more indispensable.

What will these 330 million units of account be used for? It is obvious that they must be used under the

terms of Article 56 of the ECSC Treaty to finance early retirement at 55. There is one amendment: aid to the short-term unemployed. The reason for this is that it is important that, at times of declining economic activity, people should not leave their regions because they fear that they will not eventually find another job there. It is of vital importance that we should be able to provide aid in such a situation and, of course, these 330 million units of account must also be used to expand the training and retraining of workers, without which the conversion measures which I am just coming to now will lack the efficiency that we expect of them and will not achieve the results that we hope for.

We have proposed conversion measures because there is no question of confining the Community's support for the men and women of these regions to mere social intervention; we must create the conditions necessary to give back to these regions some grounds for optimism. There is no motivation if there is no hope, and there is no hope if the problem of industrial conversion and the problem of creating new jobs and new industries are not accorded the same importance.

This is why in the proposal for a reform of the Social Fund which is before Parliament and the Council at this moment, we have emphasized the role that this fund can play in the context of regionalization, so that in these places where the unemployment rate is highest greater resources can be committed both in order to combat unemployment amongst young people and in order to tackle large-scale long-term unemployment. And, Mr Wagner, in accordance with the recommendations of your report and the support which the Commission gives to it, the actual result will depend on whether or not this amendment to the Social Fund is adopted.

Secondly, a number of speakers have stressed the particular difficulties of certain regions as compared with others. This is when the word 'solidarity' acquires its full meaning; solidarity is not dividing everything up equally down to the last franc or mark, nor is it a quotas system, in which funds are distributed in proportion to the size of the populations of the various Member States. Solidarity consists precisely in concentrating one's efforts where they are most needed without enquiring whether the distribution is an accurate reflection of the wealth of each of the Member States. That is what solidarity is. And in this context solidarity means creating within the Regional Fund the non-quota section which may be used for specific measures designed to create new jobs, for a period of five years. I think that what we are proposing is likely to help to solve our problems. We are proposing to improve the financial conditions attaching to the ECSC's instruments, that is to say, we are proposing that interest rate rebates in these

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regions should be increased from 3 % to 5 % and should be combined with other measures. This is why this non-quota section of the Social Fund should be used, in our opinion, on the basis of the sums of money which we want to allocate to it, for the creation of 70 000 new jobs in those regions which have been particularly hard hit by the steel crisis. 70 000 new jobs, and not simply in the steel industry but throughout the region.

Just as the tasks of the ECSC, as defined in Article 56, are nothing new, in the same way the Community's determination to use the Regional or Social Funds in order to obtain the creation of new jobs, whether or not in the steel industry, is certainly no novelty. This is the heart of the problem. And since, in addition, these are regions which are experiencing very high rates of unemployment we must attempt to offer some cause for hope to all the inhabitants of these regions and, thereby, facilitate access to ECSC loans, even if they are not of direct benefit to former employees of the steel industry or of the coal-mining industry. These are the global measures we need to revitalize these regions.

This is what we want to do, and this is where Parliament must support us in the struggle with the Council regarding this amendment to the Regional Fund and the acceptance of this non-quota section which understands solidarity not in terms of an equitable distribution of so many percent per Member State, but rather in terms of a need resulting from a particularly serious situation, itself caused by a crisis in the steel industry which is still continuing to create many difficulties for the Member States, the steel areas and the persons employed there.

I think measures of that kind — and it is no coincidence that we have chosen 1982, 1983 and 1984 to implement them — bear out what the Commission said all along, that is to say, that the situation in the steel industry during those years would be particularly difficult. Only those who thought that the crisis was temporary and that those who made gloomy forecasts were merely birds of ill-omen thought that this crisis would be solved without the need to take any fundamental measures. And those who refused to accept the need for restructuring today bear the responsibility for the considerable anxiety that the question of whether or not the steel industry will one day find a secure and stable future

The Commission, for its part, is convinced that the restructuring programme can be carried out successfully. But it is only possible to the extent that no one indulges in illusions regarding the scale of the problem, because if they do the remedies will no longer be equal to the disease and we shall end up with handicapped industries rather than fully cured industries. No one can take such a risk. I may say, too,

that, when approaching a question of this importance, I am extremely careful not to engage in polemics with anybody, because it is perfectly normal that people should want to voice their concern and their anxiety. Nevertheless the Commission and Parliament cannot delude steel makers or persons elsewhere into believing that their situation has not completely changed since 1974 and that the situation since then no longer exists.

Output in the European Community will not exceed in the future the average we experienced in 1981 and 1982. The phenomenon is not simply European; the same view prevails in Japan and in the United States. Allowing for structural changes, to support this particularly mediocre level of production and guarantee that there will be a market for these goods, the Community needs to achieve a real growth rate of 2 %, simply in order to remain at its present level. From time to time I hear people expressing their concern in these terms: Do you not think that when you estimate the present surplus capacity at 30 or 35 million tonnes you are being far too pessimistic, and shall we not find ourselves short of steel one day? We really cannot — I say this with all conviction — one really cannot say this sort of thing. The reality of the situation is that some products have been replaced by others. We use less steel today to make motorcars and steel has been abandoned altogether in the manufacture of a variety of products.

Suppose that after a cutback in steel production of 30 million tonnes our steel plants will, on average, only be working at 70 % of their capacity. Can one really believe that there will be 30 % growth and that we may be wrong in this respect? If we were wrong, who would be happier than us? Do you really believe that the Commission, that the Members of the Commission concerned with these matters, have a taste for announcing bad news? That we should prefer to say that we have to cut back 30 million tonnes rather than 20 million? That we wrangle with the steel-makers, the governments and the unions for the sole purpose of proving ourselves right as technocrats? If we say that, it is because we are convinced that if we do not make an effort to put the steel industry back on its feet by 1985 we shall be stuck for ever with a profoundly painful problem, and that the absence of hope will result in a loss of confidence and, finally, that we shall not succeed in achieving our aim.

A word on Article 58. Why do we need Article 58? Because this measure is another aspect of solidarity and working together. I am struck by the fact that everyone today is aware, without taking pleasure in the fact — in fact the Commission takes no pleasure in declaring a state of crisis — that that measure is an element for stability in an insecure world. We need it. It is vital that on 16 June the Council of Ministers,

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putting an end to the partisan quarrels amongst the Member States, should take this decision so that we can continue the work of restructuring for a further two-and-a-half years. Consequently our proposals will take account of the particular situation of the smallest companies which do not benefit from any aid and which therefore do not have the same advantages as others. We shall also take account of the special situation of countries which do not have a large steel industry.

But I hope that our Greek friends will not ask us to take their special situation into account, whilst they at the same time, fail to take account of the fact that each tonne of steel produced in Greece on the basis of an uneconomic system and uneconomic investments adds to the burden which the restructuring imposes on the others. As regards Greece, therefore, we cannot take account of the criterion of production potential. The same thing goes for our steel-making friends in Denmark and Ireland. But let these two countries not forget that they have received aid and that that aid has been authorized! Let them therefore take part in the common struggle!

I must admit that I was surprised to hear a previous speaker say that he would like an Article 58 with the quotas but without the prices. Why was I surprised? Because we do not fix the prices. The Community does not fix any minimum prices. But the Commission does make recommendations to companies that prices should not pose problems for steel processors, so that they may be used as a basis for our calculations of the viability of companies. How could we check prices and grants of aid in order to prevent those who benefit from them from cheating on the market by creating problems for others if we did not have a reference parameter? And how are these guidance prices fixed? After consultation with both steelmakers, steel-processors, dealers and consumers. If one has a system it is in one's interest to see that its efficiency is not undermined.

Let me add that throughout this whole period this system has worked well. A short while ago I heard an honourable Member of this House say that France had not had its fair share under the terms of Article 58. Once again I should not like to let a remark which could be the cause of misunderstandings go uncorrected. When we began to implement the system provided for under Article 58 in 1979, France's share in the Community was 18.5 %; in 1982 its share was still 18.5 %. Let us therefore be accurate in what we say. And regarding the controls, the Commission will see that they are implemented. I shall add that no Member State and no individual company should be allowed to evade Community law. Permit me to say that I was profoundly shocked to hear that a company had taken its case to the Court of Justice, had lost the action and had then announced that it would not abide by the verdict of the Court of Justice. Com-

munity law must prevail and the Commission will take care to see that it does prevail.

(Applause)

Please excuse me for not answering each of the questions which have been put to me individually. In particular, I am not in a position to reply on behalf of the Commission to those questions concerning the Gandois plan. This is so for two reasons. The first is that the Gandois plan is not a restructuring plan that has been submitted by a government and on which the Commission has been asked to give its opinion. I shall not make any public remarks on what, at this stage, is still only a hypothesis. Secondly, I should like to stress that the Commission's entire role in this matter remains within the boundaries of what it may legally do, or within the boundaries of the regulations which it has proposed.

In conclusion, Madam President, the Commission is extremely grateful to the Committee on Economic Affairs and the Committee on Social Affairs for having considered that Parliament, at a moment of crucial importance for the steel-industry policy, had the duty to express its wishes for the citizens of Europe. This is something I particularly appreciate because, in general, these recommendations imply that Parliament is convinced that in the absence of a European policy, a policy promoting cooperation between the regions, and of a demonstration of what Europe can do, not only in the immediate future, but to recreate hope in the long term, the present legal crisis will not be solved. The Commission, at difficult moments like this, resolutely believes, with an unwavering conviction, that only the ECSC Treaty can solve the problems of the future, which means we must practise Community solidarity and respect Community reality. Today we must call for more European consciousness and increased solidarity, instead of egoism and introversion. The report that you have submitted to us emphasizes these fundamental truths. I can say, on behalf of the Commission, that we are profoundly grateful to you for that.

(Applause)

IN THE CHAIR : MR ESTGEN

Vice-President

President. — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

7. Votes¹

Enlarged Bureau report (Doc. 1-1310/82 'Powers and responsibilities of the Parliamentary Committees')

¹ See Annex.

President*Chapter III — Committee on Budgets — Amendments Nos 17, 5 and 18*

President. — I should point out that these amendments are directly related to those to Chapter VII on the Legal Affairs Committee, namely, Amendments No 20 by Mrs Veil, No 22 by Mr Sieglerschmidt, No 19 by Mrs Veil and No 23 by Mr Sieglerschmidt. There is a logical link. The issue is whether questions on the staff regulations should be the responsibility of the Legal Affairs Committee or the Committee on Budgets.

Since the order of the vote requires us to consider this matter in two parts, we shall first of all look at the powers of the Committee on Budgets and then vote on the Amendments Nos 17, 5 and 18. The results of this vote will be directly related to Amendments Nos 20, 22, 19 and 23, which deal with the powers of the Legal Affairs Committee, and it will not be necessary therefore to vote on these. In this way you will be spared a second vote.

Mr Vandewiele (PPE), rapporteur. — (NL) Thank you for the very clear explanation you have just given concerning the relation between these two sets of amendments. The House must now decide whether the Committee on Budgets is to retain responsibility for matters concerning the staff regulations. If you share the view of Mrs Veil or Mr Sieglerschmidt, you will have to vote in favour of the amendment. The Bureau has told me to remain neutral on this matter and to leave the decision to the House. I do not therefore state any preference.

Chapter VII — Legal Affairs Committee — Amendment No 21

Mr Sieglerschmidt (S). — (DE) Mr President, the House has just been kind enough to adopt my Amendment No 6, which makes the Legal Affairs Committee responsible for the submission of actions by Parliament in the Court of Justice. Amendment No 21 qualifies this, however. We have just confirmed the powers of the Court of Justice without any qualification, but in Amendment No 21 we have something about specific budgetary questions. In my view, after the adoption of my amendment there can really not be another vote on Amendment No 21.

President. — I follow your line of thought, Mr Sieglerschmidt, but I think it should be left to the House to decide whether to incorporate this point or not.

8. Agricultural prices (Statement by the Commission)

President. — The next item is the statement by the Commission on agricultural prices.

Mr Dalsager. Member of the Commission. — (DA) Mr President, I should like to thank you for sparing

some time on behalf of this Parliament for me to make this statement on agricultural prices here today. The agreements were finally adopted by the Council at 5 o'clock on Tuesday morning — and I say 'finally' because I very much deplore the fact that the Council was not able to reach a decision earlier. The Commission submitted its proposals on 21 December and Parliament issued its opinion on 10 March. Since then, over 2 months have passed and only now has the Council managed to reach a decision.

I am sure all the Members of this Parliament will join me in deploring this delay, which is not only bad for agriculture, but is also damaging to the reputation of the Council and the Community Institutions in general.

However, the decisions finally reached were, in fact, in my opinion, good. Obviously when a compromise is finally arrived at following lengthy and laborious negotiations, no one is ever completely satisfied with the result. However, the Commission welcomes the decisions for three reasons. Firstly, the Council has almost without exception adopted the Commission's original proposals regarding common prices. Secondly, the Council has adopted all our most important proposals regarding guarantee thresholds, which means that the prices for those products for which the guarantee threshold was exceeded last year, i.e. milk, cereals and rape, will be reduced. It also means that realistic guarantee thresholds will be fixed for next year. Thirdly, we have taken a further step as regards the MCAs involving efforts on all sides. In spite of the increase in the MCAs which resulted from the EMS adjustments in March, we have got closer to dismantling them. In all three of these areas, the Commission has played an important role — in fact I would even go as far as to say that this year we played an exceptionally important role as regards the decisions. I am sure no one on this Assembly can suspect the Commission of being responsible for the delays. I have been applying pressure over the last few months on the Ministers to reach a decision and have warned them time and time again of the unfortunate consequences which a delay might lead to. If it had not been for the Commission's efforts, I would not have been speaking to you here today about the decisions: you would rather be adopting resolutions deploring the fact that the Council was once more unable to decide.

I should like very briefly to outline the decisions which, I think, are such as to satisfy the farmers, consumers and tax payers alike. As regards the farmers, the price increases are reasonable and sensible if we consider the difficult market situation and the high level of production in many sectors, which for the rest, helped to give them a good income last year. The average price rise in ECU is a good 4 % and in national currencies about 7 % compared with the decision for last year.

Dalsager

I should like to stress that in its opinion on agricultural prices, Parliament advocated a 7 % increase, and if we take the MCAs into account, this is in fact what we have achieved by means of both the increases in the common prices in ECU and the adjustments to the green parities, which for many countries involve devaluation of the green currencies, which is tantamount to a further price increase in the countries in question, i.e. Greece, Italy, France and Ireland.

The EMS adjustments in March form a second component in the price agreements. These adjustments came at an unfortunate time since the pound sterling was exceptionally low. However, we managed to solve this problem by accompanying the price decisions with a revaluation of the ECU in such a way that the MCAs for Germany were reduced by 3.2 points, which in real terms is more than we had proposed in December.

In addition, we expect to be able to solve certain difficulties in connection with the monetary compensatory amounts by changing the way in which they are calculated for pig meat and fresh milk. The Commission also intends to carry out a thorough study of the entire system and submit the results to Parliament.

As regards those countries which are in particular difficulties, we have also included a number of structural measures to help agriculture. To give a few examples, Italy is to receive 60 million ECU Community Aid for animal husbandry and a further 20 million ECU for the areas hit by earthquakes, together with cereals and milk powder from intervention stores in other Member States. Greece is to receive a total of 12 million ECU for the development of extension work and the introduction of artificial irrigation. In the case of Ireland the measures to promote beef production are to be extended, 10 million ECU being financed out of Community funds. Ireland and Northern Ireland will also receive cereals from intervention stocks. These structural measures for Italy, Greece and Italy will be included in proposals which I hope this Parliament will not delay in approving.

I should add that in the case of several Mediterranean products the price increases have been above the average, but as far as the consumers are concerned these increases will on average put up the price of foodstuffs by no more than 3 %, which corresponds to a rise of only some 0.5 % in the cost of living. In addition, we have increased the consumer subsidy for butter by 13 % which will help our own consumers to increase their butter consumption.

The effects of this final compromise on the Community budget are minor — in fact they barely involve more than what the Commission had originally proposed in December. Net budgetary expendi-

ture in connection with the price agreements are estimated at approximately 435 m ECU in 1983 and 745 m ECU in 1984. The Commission will in the near future submit a supplementary budget to Parliament with a view to covering this expenditure and the additional expenditure arising from the unfavourable market situation at present.

These were the main points of the agreements reached by the Council. Obviously various details were the subject of lengthy negotiations, but I should like to stress here and now that the Council has made the right decision with Parliament's backing and the help of the Commission. We have managed jointly to uphold and adapt the agricultural policy not only for the next twelve months but in the longer term too.

Mr Dalsass (PPE). — *(DE)* On a point order, Mr President. I am assuming that the Commissioner will still be here after the break and that the various groups will be able to give their views. I should be grateful if you could tell me how long this debate is going to last.

President. — You know that each group has been allocated four minutes, and so we can reckon the debate will last for at least half an hour.

(The sitting was suspended at 7.55 p.m. and resumed at 9 p.m.)

IN THE CHAIR : LADY ELLES

Vice-President

Mr Pearce (ED). — Madam President, may I draw your attention to the fact that tomorrow the Cohen report on UNCTAD is due to be taken? This is the culmination of quite a lot of work by the Committee on Development and Cooperation. If the report were not to be taken tomorrow, this would be wasted because UNCTAD VI starts on 6 June. May I, therefore, ask that overnight you will reflect on the order of business tomorrow, so that we can be sure that this debate on the Cohen report will, in fact, be taken tomorrow.

President. — Thank you for making that point. I will pass it on to the relevant authorities, and we will try and ensure that that debate is taken tomorrow. But, of course, it will depend on the cooperation of the House and not wasting the House's time should that report be taken.

Mr Curry (ED). — Madam President, I would like to welcome the Commissioner to this lonely debate and to apologise to him for the amount of time he has had

Curry

to waste here today when he could have spent it doing something more useful. The day that Parliament manages to organize its agenda intelligently will be a red-letter day for this Parliament and might actually make possible the exercise of the powers which the Treaty actually gives to us, but which by our own actions we are rendered incapable of using effectively.

May I first of all comment upon two points which the Commissioner made in his speech. He said that the 7 % increase agreed by the Council of Ministers was in conformity with Parliament's vote. He will of course know that 7 % in national currency is not the same thing as 7 % in common currency. He also said that there had been a 3.2 % cut in the German MCA. He will know that 1.2 % of that was achieved by juggling the value of the ECU and that therefore the effective German change was 2 %. If I might say so, Commissioner, it was a nice try, but the speed of the hand did not quite deceive the eye. I suppose one should congratulate the Commissioner on being perhaps the first Commissioner since I was elected to have come through the price fixing with his virginity intact. The Council did not significantly adjust his proposals, and without commenting on those proposals I think one could say that we all agree that the Commission must act as an effective college and that the Community functions better when the Commission does act effectively. In that respect I wish to congratulate him.

The prices were fixed late. I can see nothing that could not have made a price-fixing possible two months earlier than it was. The victims are always the same. They are always the farmers in those sectors whose year begins in April. The effect, of course, is to devalue the price which is given, and if it is Council policy — and I make clear the word Council, I am not reproaching the Commission here — to limit prices by assuring a late fixing, it would be more honest to say that that was the policy rather than to let it happen by accident.

The late fixing also makes a mockery of the plans to restore the equilibrium between the arable and the livestock sectors, because the arable sector always gets 12 months of price increases because their marketing year starts much later. The livestock sector is getting a 10 1/2 month price increase, so in practice there is no point in pretending that arable is getting less than livestock because the terms of the price increase are different.

I would now like to look at one or two questions which this price fixing raises for next year. I do this by putting forward a series of questions. Inflation is falling rapidly throughout most of Europe. Therefore if there is to be a prudent prices policy next year — and the Commission repeats that we must have a prudent prices policy — that indicates a proposal significantly below prevailing rates of inflation. But

there are no parallel signs of economic convergence, and since the EMS was created there has been a steady divergence of economic performance which means that the monetary compensatory amounts have increased in the course of a year. Now if we are going to dismantle MCAs, that presupposes a significant price increase. So, already we have a contradiction between one stated policy of prudent prices and a second stated policy of dismantling MCAs. If then we add a third element which is that no country must be allowed to accept a zero on its prices, or even a price cut which is, as I understand it, an informal if not a formal policy, we add a new element. That means we are again looking for a significant price increase. Then if we add the thresholds — the threshold for milk, for example, is half a per cent above this year's threshold, not half a per cent above this year's deliveries — if milk production does increase significantly, and of course the weather has had a contrary effect so that we do not yet know how it will work out over a full year, Ministers, if they are going to observe the decisions on ceilings which they have taken in theory this year, are actually looking at the prospect of a zero on milk prices next year. I do not state this because I endorse it. I state it because it appears to me to be an inescapable conclusion from what has been decided already this year.

Prudent prices, dismantling MCAs, insisting that everybody should at least hold their own in price increases and observing the ceilings appear to me to be four irreconcilable objectives. Let us add to that an international perspective: the level of the dollar. It depends very much on whether the dollar goes up or down whether or not export refunds are expensive or relatively cheap. Let us add the payment-in-kind programme that the United States is implementing. We do not yet know the impact that that will have on the level of world prices. Let us add the final element: whatever agreement the Community may reach with the United States on trying to avoid an open conflict in international food markets. Here is yet another uncertainty which is actually going to influence next year's price decision. So however much I welcome the fact that at last we have a price settlement for this year, however much I regret the delay in this year's price fixing, which I regard as being wholly unnecessary and not — I repeat not — the Commissioner's fault it seems to me that we are approaching next year's price settlement already with a series of criteria, a series of demands which are contradictory and which are going to be very difficult indeed to reconcile. I would very much like to hear from the Commissioner how he intends to approach this problem.

Finally, I would like to ask how big the supplementary budget is going to be and when it is going to be presented. Does the Commissioner expect that famous ceiling to be close or not? I realize the uncertainty about the weather and the effect that may have on

Curry

depressing yields. When can we have a clear idea of that? And there was a rumour also that the Foreign Ministers may have discussed CAP financing at their recent meeting in Germany. Has the Commission been commissioned to produce a paper on CAP financing for the Stuttgart Summit or subsequent meetings? We would very much like to know the details of that.

Madam President, I am sorry to make a speech which appears to be negative in tone. Nonetheless, I cannot help but feel that although the Commissioner quite rightly, from his point of view, claims satisfaction over this price fixing, I have this rather foreboding impression that we are moving into the next price fixing with a series of irreconcilable principles which can only be reconciled at the traditional expense of the producer.

Mr Woltjer (S). — *(NL)* Madam President, I should like to begin in the same way as the Chairman of the Committee on Agriculture by congratulating the Commissioner for standing his ground with the result that the Council has for the first time taken measures which are genuinely calculated to get to grips with over-production. We have been saying for years now that measures of this kind were called for, and time and time again the Commission has come up with proposals to which the Council has reacted by saying that it would probably look into the matter once again next year. However, that was all. This year measures have finally been adopted and I should like at any rate to congratulate the Commissioner on this fact.

Nevertheless, I have a number of criticisms to make, which I have made before and which in fact follow on fairly logically from some of the points already made by the Chairman of the Committee on Agriculture.

First of all, the timing of this decision. Obviously this is something which is outside the Commission's control, but I should nevertheless like to stress that it is unacceptable that this decision should not have been reached until after 1 April — a month and a half too late, which quite simply means — and I should like to stress this point too — that the policy has to some extent already been rendered ineffectual i.e. as regards the price hierarchy for various products, which the farmers simply can not take advantage of now because the price decisions came too late, and this in itself is very discouraging. A great deal could also be said about the costs which this will entail for the farmers and I shall merely endorse points already made by some of my colleagues.

My second criticism, which Mr Curry also made, concerns the MCAs. Obviously, this debate has been very much concerned with national prices and the Monetary Compensatory Amounts have occupied a central position throughout. The problem is clear.

Monetary Compensatory Amounts militate against the openness of the common market and I feel that too little has been done on this point. I should also like, in this connection, to mention an aspect which could have dangerous consequences for the entire Community, i.e. the events at the Italian border and, to an even greater extent, the recent incidents at the French border, which are unacceptable and reflect a distrust of Community policy. The people are rising in revolt.

A third point, which was also tellingly made by Mr Curry, concerns a Commission proposal for a policy which is aimed at combatting over-production but which fails to make provision for adequate dismantling of the MCAs. This is inconsistent and could be a source of major problems. I am also curious to know how the Commission intends to keep this up in the longer term. In the dairy sector, for example, if the Commission intends to put its proposal into practice next year, i.e. the 1 % ceiling over the increase relative to the 1981 price, this will require cumulative price reductions so low that they would in practice become negative, and this is even without taking account of the MCAs.

Mr President, these were the few criticisms I had to make. I should like to stress that the fact that something is finally being done about the surpluses is an important aspect and I appreciate this. However, my Group has certain reservations regarding the way of going about it the preparedness of those involved in the longer term, and, last but not least, the fact that this method will lead to enormous social tensions.

Mr Dalsass (PPE). — *(DE)* Madam President, I was rather surprised by what Mr Curry had to say. He spoke for a long time but I did not get the impression that he was giving the views of the Committee on Agriculture, but if this was so, I must assume he spoke as Chairman of the Committee on Agriculture. This causes me some surprise.

On behalf of my group, the European People's Party, I must also declare that it was about time that decisions were taken. We are very pleased they have been and regret that it took so long because delays are only to the detriment of our farmers.

Now Mr Dalsager has said that the Commission did all it could to enable a decision to be taken quickly. Nevertheless, I cannot help thinking that the Commission perhaps contributed to the delay by obstinately sticking to its proposals; at any rate I believe that with a little more flexibility we would have had a decision more quickly. We are therefore all satisfied that the decision has been taken.

If we now analyse the content of the price package a little more thoroughly, I must say on behalf of my group that it is not at all satisfactory. It may perhaps be said that it has turned into an economy package!

Dalsass

Never has there been such careful economizing as in the price fixing and supporting provisions of this year.

This means that the trend in farmers' incomes, which was last year positive for the first time in several years, will become negative again. The farmers will again have to accept loss of income, which will have a negative effect on development in the agricultural sector. It is astonishing that in spite of this modest price increase, and although agricultural prices have never had an aggravating effect on inflation, some people say that the farmers have been given too much. This is strange because when it is wage negotiations we are dealing with, in which precisely the same people are involved, they always believe they have to ask for more, and in fact much more than the farmers are given.

I shall not go into the details of this price package; four minutes is too short for that. The only point I would like to make is that although it is very modest, I do not believe we will achieve our aim that, as Mr Woltjer believes, we will probably not get surplus production under control, because I doubt whether we or the Commission will manage to stop it effectively. I would like to take the opportunity of asking the Commissioner quite openly whether he believes it will be possible to get surplus production really under control in this way. If this is not the case, I would like to warn about being as thrifty as this in the price fixings of the years to come because this would only create a situation which would become intolerable for the farmers in the long run. It would cause irreparable damage to agriculture.

I have a few more questions to ask the Commissioner. Do you not agree that the trend in agricultural incomes is negative again and will therefore have a negative effect on the employment situation as well? Do you think that surpluses can be brought under control with this economy package? We know that a large proportion of the milk surpluses is caused by the use of substitutes imported from third countries. Is it not time that something was done about this, Mr Dalsager? What does the Commission intend to do? This is where the causes can be found, namely, and in last year's large fruit harvest as well. Should Community preference not have been applied in that case?

Finally, one more question perhaps: Do you still believe, Mr Dalsager, that the uniform application of agricultural prices in the various Member States has a different effect in different countries depending upon whether the inflation rate is high or low, as you have already maintained once? I would be grateful if you could answer this question.

Mrs Le Roux (COM). — (FR) Madam President, I speak on behalf of the French Communists and Allies

in order to say that the price increases decided on by the Council are far from answering the needs of owners of small and medium-sized farms, such as we have expressed them. These needs could have been satisfied through the budget because the increase in agricultural spending has been sharply reduced in recent years. Let me remind you of the 3.5 % in 1981 and 11 % in 1982. A breach has been opened and some improvements have been obtained, as compared with the initial proposals, in particular for pigmeat. No doubt the tenacity of the French Government and the demonstration by farmers, which we have supported, are not unrelated to this. These measures, however, are still insufficient for most products. Milk producers are particularly severely penalised by a ridiculously small increase in the intervention price and the price establishing the guarantee thresholds. It is unacceptable to us that all producers should be obliged to pay to support stocks which are largely located in the Federal Republic of Germany and which the so-called 'milk-factories' are responsible for.

How could we be expected to accept this yielding to American pressure, which has resulted in an extension of the co-responsibility principle destined to limit our production and put an arbitrary stop to our wheat exports? The French Communists and Allies cannot go along with this agreement. They demand that losses arising from the delay in price fixing should be made good, backdated for example to April 1st for milk producers and sheep and cattle breeders. In this connection, I should like to ask you, Mr Commissioner, whether the regulations allow for such retroactivity, especially as I have the impression that has already been allowed in the past.

Finally, the system of monetary compensation amounts must be completely reorganised. The Commission should submit to us proposals designed to prevent the creation of further MCAs and a timetable for their complete elimination. We also ask that the expenditure under the guarantee section of the EAGGF should be returned to equilibrium, in order to benefit the owners of small and medium-sized farms, in particular by means of a special levy on these 'milk factories', an improvement in the Community regulations governing wine, fruit, vegetables and sheepmeat, a cutback in the numerous and expensive exemptions from Community preference, the creation of a more dynamic commercial policy with, in the immediate future, a resumption of wheat exports, and a halt to negotiations on enlargement of the Community in the interest of close cooperation based on the mutual interests of the countries concerned.

On the basis of these demands, we are resolved to continue our efforts in 1983 to see that the rise in farmers incomes which we saw in 1982, after 8 years of declining incomes, is continued.

Mr Brøndlund Nielsen (L). — *(DA)* Whenever Parliament's advice and attitudes concerning proposals are disregarded — as in this case — it must make its objections known. It is primarily the Council which has given us cause for complaint and matters have, I think, taken a very unfortunate turn. The 7 % proposed by Parliament has not been adopted, even though it merely corresponded to the extent to which agricultural production costs had themselves increased. Even if it is attacked and misunderstood in certain quarters, this annual adjustment of the agricultural prices is after all only a question of bringing things into line with increases in costs and income trends in society in general. It is not a special privilege which the farmers enjoy. It merely figures in the debate provided for by the common agricultural policy — agriculture is simply supposed to follow the general trend. However, in the present case it has not done so and this is possibly a result of various factors including the many unreasonable attacks which has been made on the agricultural policy and the many attempts to destroy this policy by means of the joint budgetary policy. It could be pointed out that during the few years in which the agriculture turned out to be much cheaper than anticipated and enabled considerable savings to be made, advantage was taken of this fact and Community expenditure surreptitiously allowed to increase in a number of other areas. However, now that there is what might almost be called a naturally-determined slump in agricultural prices people are turning around and saying it is the fault of the agricultural policy if there is too much strain on the budget. This, as I see it, is a somewhat specious argument.

I cannot go into the details here and now, but there is no getting away from the fact that the agricultural policy has led to massive developments in production. However, what we do not know is whether or not we can go on in this way. We can already see a change in the weather this year, but we have such enormous stocks that it is time, I think, that we started thinking somewhat in terms of quality distinctions.

Madam President, I should also like to say how much I deplore the delay there has been in the price fixing. I should like to know what sort of an uproar there would have been if there had been such uncertainty and such long delays in deciding what sort of incomes other people were to be getting.

I should also like to put a specific question to the Commissioner, i.e. whether the pig-meat prices were simply adjusted proportionally with the developments in cereals prices, i.e. have they been adjusted to a level far from that which some people obviously have in mind. This is one of the factors which is tending to undermine confidence in the common agricultural policy, and I should be grateful if the Commissioner would say a few words on this point, which also very

much involves the entire question of the credibility of the Community among the Community's farmers. The tendency not to give the farmers the full coverage they require could be regarded as dangerous and as one of the reasons for the steady increase in State aid. It is also regrettable that the agricultural policy should have been, as it were, held hostage in the various wranglings in the economic field as we have seen more clearly than ever before on this occasion, since the problems of the exchange rates were the main cause of the delay in the price fixing.

I was very pleased to hear the Commissioner undertake to thoroughly investigate this entire question of the interrelationship between the monetary situation and the agricultural policy.

Madam President, the time available is far too short for me to go into several aspects of a subject so vital to the entire Community as the agricultural policy and the agricultural prices, but I hope the Commissioner will be able to answer the points I did manage to make.

Mr Mouchel (DEP). — *(FR)* Madam President, unless I am mistaken, no account whatsoever was taken of Parliament's views in the measures decided on when the agricultural prices for the period 1983-1984 were fixed. The Commission refused to revise its proposals after Parliament had voted, doubtless because it considered that it alone had access to the truth, in spite of the fact that its proposals had been rejected by our Assembly. Nor did the Council of Ministers pay very much attention to our proposals. We had expressed the desire to see agricultural prices raised by 7 %, but in fact the figure which was accepted was the Commission's figure, that is to say a somewhat lower one, around 4 %.

We had asked that the deadline for fixing agricultural prices, the 1st of April, should be respected at all costs. In fact we had to wait until 16 May to see them finally fixed. We had asked that in the event that the deadline could not be abided by, some provision should be made for retroactivity, so that the farmers themselves would not suffer from the delay. So far at least we have not heard anyone mention retroactivity. We had voted in favour of the complete elimination of negative monetary compensation amounts. In fact the part which has been eliminated is rather small in comparison with what has been left. And as for the positive MCA's, again very little has been done to dismantle the system. And I could continue like this for a long time, listing the various positions that we have adopted which have not been respected.

These decisions will inevitably result in a decline in farmers' incomes for this year, and there is no need to be a great scholar to predict without any risk of error that this will happen. The CAP is the only common policy that we have at present and I want to ask the

Mouckel

following question: is it right that the Assembly's views on this sole common policy should be treated with such contempt when the problem itself is of such importance? We are told that the common agricultural policy is too expensive because of the surpluses. Why, therefore, has the taxation of vegetable fats, for which we ourselves have voted, been refused? Why this refusal to tackle the real causes of overproduction? We have suggested, for example, taxing dairy farms which produce more than 15 000 l of milk per hectare. What has become of this proposal in the decisions which have been taken? We have also envisaged taxation of substitute products, particularly oil-cake imported from the United States. These taxes would offer us a brake on production and a way of increasing the EAGGFs income. Finally, apropos of the guarantee threshold for milk, why was 1981 selected as reference year?

Concerning the cost of the CAP, could the Commission tell us how it has drawn up its expenditure forecasts and, in particular, which dollar/ECU exchange rate it has used to calculate the cost of export refunds? The high dollar exchange rate would doubtless be convenient for the Community's accounts, but in other respects it will be very expensive for farmers who have to buy on external markets. Could the Commission also tell us what production volume it has used for the present agricultural year and by what percentage these forecasts should be revised downwards in order to take account of the climatic situation which we are experiencing at present?

Mr Commissioner, in less than a year our Assembly will be in a position to compare your forecast figure with reality, and there is no doubt that we shall do that. Could you tell us why the cereal export refunds have been eliminated until the next harvest? And furthermore — I am sorry if this question is indiscreet — could you tell us whether this decision was enshrined in a secret agreement between the Commission and the Americans during the recent negotiations, a few weeks ago?

Last question: Has the Council of Ministers drawn up a timetable for the total and definitive suppression of those compensation amounts which are still in existence today?

Mr Paisley (NI). — Madam President, Northern Ireland has an agriculture-based economy. Agriculture is the largest employer employing 60 000 people, some 15 % of the entire workforce. Northern Ireland is composed largely of small farms. These farms have concentrated on the intensive sector of farming. Since entering the EEC the intensive sector has been badly hit because it has not had access to grain on the world market. As a result, we have lost 40 % of the intensive sector of our farming industry. At the present time a great dark shadow lies over the remaining 60 %

simply because, as far as grain prices are concerned, the farmers in Northern Ireland have to pay £ 10-£ 15 more per tonne for the grain that they get in from the rest of the United Kingdom.

Now I welcome what the Commissioner has said about grain being available for Northern Ireland. Strange to relate, I also welcome the fact that it is going to be available for the South of Ireland as well because there are great difficulties in the farming community. But I want to ask the Commissioner how much grain is going to be available? Is he going to make available both wheat and barley? Will this grain be available for home compounders as well as the millers? And when will this grain be available? If we are going to do anything to save the intensive sector in Northern Ireland, this grain needs to be made available as soon as possible.

There is one other matter I would like to mention in conclusion. The farmers in Northern Ireland and the rest of the EEC must have accessibility to the market. There have been some very serious scenes in which Northern Ireland lorry drivers, bringing hanging meat in to France, have in the past weeks been savagely attacked, their lorries damaged, their meat pulled out and burned. I would like the Commissioner to give us an assurance that this market will be accessible for the farm produce produced in all sections of the market.

Mr Adamou (COM). — (GR) Madam President, the increases in the prices of agricultural products which the Council has decided on are unacceptably low for the Greek farmers, quite apart from the burden which the two-month delay in approving them has imposed. The average 6.2 % increase for Mediterranean products means a substantial drop in their incomes, because the fact is that production costs in Greece are three times higher than in the other Community countries, and that inflation is twice as high. The 15 % devaluation of the Greek drachma, which has been followed by the devaluation of the green drachma, does not solve the problems of the Greek farmers, because what goes into one pocket as a result of the devaluation immediately goes out of the other due to the 40 to 80 % increase in the price of fertilizers, pesticides, feedingstuffs, and all agricultural inputs in general. The consequence of the Greek government's acceptance of the Common Agricultural Policy is that Greek agriculture, and our national economy in general, has suffered severe setback. Our trade balance in agricultural products with the Community a typical example. Whereas prior to Greek accession to the EEC it was positive, with an annual surplus of 7 to 8 thousand million drachmas, it became negative following accession, with a deficit of 10.6 thousand million in 1981 and 17.9 thousand million in 1982, and the outlook is the same for the coming years. In other words, not only has there been no increase in exports of Greek agricultural products,

Adamou

but they are facing competition from similar Community products even inside Greece itself. Thus Greek farmers, in the two years since accession, have been forced to bury a total of 400 000 tonnes of fruit and vegetables. The government bears responsibility because it accepted not only these low prices but, along with them, a series of other Community burdens and obligations, such as the co-responsibility levy, the production quotas, etc. However, although the government, despite its promises, has turned a deaf ear to the just demand of the farmers, their associations and cooperatives, for prices to be fixed in Athens and not in Brussels, we believe that the Greek farmers will eventually, be successful in their struggle and that they will protect the fruits of their labour from exploitation by the Common Market.

Mr Davern (DEP). — Madam President, on behalf of my group I would like the Commission publicly to announce the amount of EAGGF grants which have not been received by the legal beneficiaries owing to the scandalous delay in fixing the farm prices.

On the question of retroactivity, I would like to inform the Commission that in previous years, notably in 1975 and in 1976, there were precedents for at least partial retroactivity payments. Two Council Regulations, 469/75 and 558/76, allowed for a partial retroactivity payment for milk, butter, skimmed milk, beef and veal, which had been taken into intervention to benefit from the price increase backdated to the date of the marketing year.

My group invites the Commission to act immediately and bring forward proposals, using the same supposedly non-existent legal framework, to apply from 1 April this year. In the absence of such action, I and my group can only find the Commission politically guilty of negligence towards the smallest farmer in this Community.

Mr Dalsager, Member of the Commission. — (DA) Madam President, I think I must take this opportunity to reply to the questions which have been raised. I have already said that the Commission regrets the delay in fixing the prices. Mr Curry implied that it was in fact the Council's policy to delay the price fixing, but I can assure him that it was the difficulty of the problems themselves which made it difficult to conclude these discussions, and not deliberate obstruction on the part of the members of the Council with a view to delaying any decisions. I think I can say that all the members of the Council did their utmost to reach decisions as soon as possible after 1 April, but the scale of the problems involved — and this has emerged from this evening's debate — made things very difficult.

This is unfortunate for agriculture. It is unfortunate for agricultural policy, but at the same time we must be realistic. It is quite simply impossible to backdate a

price increase. May I put the following questions: How can one apply increased levies or refunds to imports or exports which took place in good faith six or seven weeks ago? And how can you expect an intervention system to function retroactively? A policy like that will not improve the opportunities for proper management of agricultural policy. In fact it would paralyse agricultural markets.

The question of compensation is extremely difficult. I would emphasize in this connection that Parliament must not lose sight of the fact that, as a result of the monetary measures, the Council was able to approve larger price increases in national currency for most Member States by adapting the green currencies. I would stress that this was a major factor in obtaining acceptance of the prices for Germany, France and Italy.

Mr Curry raised a number of important questions which I should very much like to be able to answer. He asked about next year. He asked that was going to happen about milk. I must admit that, as things stand at present, the situation looks rather formidable. Milk production is continuing to rise, perhaps even faster than in 1982. What about the MCAs? Several speakers this evening have asked me for a statement as to what the Commission intends to do about the MCAs, but this is a political question which the Commission cannot answer on its own. We can naturally put forward proposals, but I do not think the Members all realize the difficulties we encounter when we discuss these MCAs with the Council.

May I put just one question, Madam President? When you criticize the price increases, are you talking about one parliament, two parliaments or several parliaments? It is of course true, on the one hand — as Mr Dalsass and others have pointed out — that you proposed larger price increases, but at the same time Parliament's Committee on Budgets called upon both the Commission and the Council to cut back on agricultural expenditure. How can you expect the Commission to react sensibly to two conflicting demands.

(Interruption from Mr Clinton)

Madam President, may I ask Mr Clinton to wait until I have finished. He knows the position much better than he would have us believe!

The situation we are faced with is that 1984 will probably see us reaching the 1 % ceiling which the governments have imposed on the resources available to the Commission. There is no point in Parliament or the Commission imagining that we can spend more money than the respective governments are going to grant us. I must point out to Mr Dalsass that, along with other governments, the government which either represents him or which he represents is not at present prepared to approve the additional resources

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which the Commission needs if it is to meet the wishes Parliament has expressed with regard to agricultural policy. This is the situation we really must bear in mind. We are faced with a very difficult situation as regards the forthcoming price negotiations, and on that point I agree with Mr Curry. I hope we can solve the problems by next year, otherwise I must warn Parliament even now that the price proposals the Commission will be able to put forward next year will be extremely limited — assuming there are any resources available at all on which to base proposals for price increases. The Commission is restricted to what the Council and Parliament gives it in the way of budgetary resources, and I would therefore point out to Parliament — which after all has a major share of budgetary powers — that it also has responsibility for ensuring that the Council and the Commission can continue to implement the agricultural policy incumbent upon us under the Treaty of Rome.

Mr Woltjer and others raised the question of MCAs and distortions of the market. Mr Woltjer is probably right in saying that too little has been done. There is a gentleman's agreement between the Member States as to how these amounts are implemented, and I think we have this year gone as far as was at all possible in this field, even though I must say that the Commission would naturally have liked to go further. However, I do not think we should imagine we can achieve the impossible just by wishing for it — not even in Parliament.

Mr Dalsass says that the Commission has stuck stubbornly to its proposal and that we should have shown greater flexibility. I should like to say that if I had had more funds to spend I could have been more flexible. However, the remarks I have already made regarding the budget and the Commission's room for manoeuvre should be sufficient answer for Mr Dalsass.

Other speakers mentioned the supplementary budget, and I should like to say that we have not yet finished our calculations, but I think we will be submitting a draft supplementary agricultural budget of between 1 500 and 2 000 million ECU to Parliament and the Council in the very near future, and I sincerely hope that those who think we have been taking a somewhat cheeseparing approach as regards agricultural policy will show sufficient confidence in the Commission to help it get this supplementary budget through, as otherwise we will not even be able to implement the agricultural policy this year with the existing rules and with the price increases which have now been approved. We would therefore also call on Parliament to give the Commission its backing in connection with the budgetary problems facing us in the field of agricultural policy.

Mr Dalsass thinks that 1983 will see a drop in agricultural incomes. However, I do not think this will be

the case. At any rate, if we compare 1982 and 1983 I think we will find that we have — I am glad to say — reversed the trend in agricultural incomes. The question is whether we can come to grips with the problem of overproduction, and I think we can if we can take sufficient time over it. However, this is obviously something we cannot do from one year to the next. We cannot solve this problem from 1983 to 1984 or 1985, but if the policy proposed by the Commission and, contrary to Parliament's recommendations, adopted by the Council can be continued for a few years, I think it might be possible to contain overproduction in such a way that the farmers will take account of the fact that the outlets for some of their products are limited, which means that they must bear a substantial part of the costs involved themselves, I also think that it will be possible in the slightly longer term to bring about a changeover to other products.

Mr Dalsass is also right in saying that the MCAs mean different prices in the various Member States and that what this amounts to in practice is that the countries with the lowest inflation rates also get the smallest price increases, contrary to what we occasionally hear. If we look at developments over a number of years we see that this has in fact been the case.

Mrs Le Roux mentioned retroactivity and wants at any rate to see the system of MCAs completely revised. This, I think, is a sound proposal, but she was somewhat unclear as to how it should be done, since the system has been adopted by the Member States and is very difficult to change. As regards industrial-scale milk production, the Commission has on numerous occasions proposed a special levy on industrial milk production, and time and time again this proposal has been rejected by the Council. I do not know if we would stand a better chance of success with a proposal of this kind now, but at any rate it has always proved impossible in the past. As regards a more dynamic trade policy, a Commission proposal on long-term agreements for the marketing of agricultural products has been before the Council for two years now, and so far only one Member State is in favour of the Council's proposal, so it has not been possible for this proposal to be adopted either.

Mr Brøndlund Nielsen was right in saying that Parliament's recommendation in favour of a 7 % price increase was disregarded. I happen to know that Mr Brøndlund Nielsen is a trained economist, since we have known each other in Denmark, and he is well aware of the economic situation in the Community, so he should realize that the Commission is obliged to follow the instructions issued by Parliament's Committee on Budgets on the one hand, and the Member States on the other, since it is the Member States who have to pay for the policy we adopt.

Dalsager

The Commission finds pigmeat prices a further cause for concern, and, for the rest, the situation in all the Member States is such as to justify this concern. As we all know, there has been an outbreak of foot and mouth disease in one Member State, which has meant that large quantities earmarked for export have had to be sold on the Community market or put into storage. However, I assume that Mr Nielsen is also aware that the Commission very recently introduced a substantial increase in the export refunds in order to find out whether it would be possible to increase Community exports, and that the compromise price settlement which has just been adopted contains an undertaking on our part to look into the entire question of private storage from the point of view of the duration of the contracts and the amount of aid to be granted.

Finally I should like to say, in connection with pigmeat prices, that in certain Member States they have not been unaffected by the attempts at internal competition in the countries in question, where various slaughterhouses have been offering pigs and pigmeat at prices far below the reasonable limits.

Mr Mouchel said that we had not done much about adjusting the negative MCAs. In fact we have made almost a 100 % adjustment, and have at any rate adjusted them to the extent requested by the Member States themselves. This was the result of a Commission proposal which was adopted.

As regards refunds on exports of wheat, I should like to say that the Community has exported so much this year that we have now gained the share of the world market to which we are entitled in accordance with our international commitments under GATT, and that for this reason we have called a halt to exports of wheat until further notice. Obviously, we hope to resume exports very soon after the next harvest.

As regards Mr Paisley's question on supplies of grain to Northern Ireland — and this applies in the case of the Irish Republic too by the way — I can inform you first of all that the amounts mentioned in the compromise proposal are 50 000 tonnes for Northern Ireland and 50 000 tonnes for the Irish Republic, with a possibility of increasing these amounts or for one part of Ireland taking this amount if the other part does not want it. We have large stocks of grain and would therefore obviously like to see a very substantial proportion of it being used for feedingstuffs within the Community. It is primarily wheat which is involved, since we have only very small stocks of barley. As to when, all I can say is 'as soon as at all possible'. We hope we might be able to manage it before the next harvest, so that these quantities can be used in the feedingstuff mixes for animals in the countries involved.

Mr Adamou complained that Greece came off rather badly in these price negotiations. I should like to

point out that the country in which the price increases will be greatest in absolute terms as a result of these price negotiations is Greece, where the internal prices for agricultural products will be increasing by approximately 20 % on average. There is no other country in which farmers have been granted price increases of this order.

I should also like to say, in connection with Mr Adamou's other remarks on Greek membership of the Community, that this was Greece's own decision. The Commission and the Community are very much concerned with finding a solution to the problems which, as we are all well aware, Greece is currently facing, and as far as the agricultural sector is concerned I am sure that Mr Adamou, and anyone else who takes an interest in Greek agriculture, will agree that the Commission has made considerable efforts with a view to solving a number of the enormous problems which are indeed currently facing Greek agriculture, but which in fact existed long before Greece joined the Community.

President. — I would like to thank Mr Dalsager on behalf of the House, not only for coming to this Parliament to make a declaration on farm prices but also for listening through the debate and making very full replies to the many questions that have been put to him. We are very grateful to you, Commissioner, for your cooperation with the House.

(Applause)

9. *Less-favoured regions*

President. — The next item is the report (Doc. 1-84/83) by Mr Faure, on behalf of the Committee on Regional Policy and Regional Planning, on a Community plan to enhance the employment potential of the less-favoured regions.

Mr Faure (L), rapporteur. — *(FR)* Madam President, ladies and gentlemen, I intended to begin by criticizing the procedure used by Parliament, because this report was scheduled for discussion in the extraordinary part-session held in Brussels but was not called. Well, it has come up much later but, after all, maybe this is not a bad thing, since it will thus follow the debate on farm prices in which I was able to take part. Besides, I thank the Commissioner responsible for agriculture for staying to listen to these few words.

What I would like to say is that, for a regional policy on employment, there is no subject more important than that of farm prices and support given to the farm economy or to farmers.

I will not dwell on the conclusions of the committee, since they have been unanimously adopted. You will therefore pardon me for digressing from them a little. Mr Dalsager, I know that the Commission is doing all it can to take all points of view into consideration.

Faure

I would nevertheless like to recall that most of the European economic policy is based on farm prices. The construction of Europe was founded on the common agricultural policy, and without that policy Europe would not have been built. Maybe I can recall this in a twofold capacity, since it was my Government which, at the Conference of Messina, took the initiative to create the Common Market and also because, as a minister in General De Gaulle's cabinet, I personally had the opportunity of concluding the agreements in spite of much scepticism.

I would not like to question the good will of the Commission, and certainly not the competence of Mr Dalsager, but I would like to emphasize this point not so much so that he becomes aware of it, but rather so that he continues to bear in mind the great importance of this problem, for we concluded not only in this report, but also in a previous one, that one of the causes of the economic crisis, inflation and unemployment was the disparities between regions. Right now, the most backward regions are generally agricultural regions which had once been important. By continuing with a satisfactory agricultural policy we shall be solving, firstly, an enormous social problem, because although many farmers have abandoned farming many more would have done so without economic aid. Is it in our interest to increase the number of unemployed or to have fewer consumers? I therefore think that farm prices should have been fixed at a slightly higher level.

Mr Dalsager has rightly remarked that the Parliament sometimes expresses contradictory views, because the fact is that at one time it says that prices are not enough and at another time that the budget is too high. Sometimes when we come in here we participate in tough meetings in which we are told that, at the request of some of our partners, we must be strict and not listen to the complaints of our farmers and their families, and that we should not give those complaints any consideration; however, a few days later Members arrive here with handkerchiefs to weep, not over the situation of Britain's finances but over the misfortune of people who are dying in their millions of hunger and who could be fed on the products whose surpluses we are advised to reduce. Moreover, I believe it would be possible to stop Parliament contradicting itself. Mr Dalsager, you have said that Parliament should assist the Commission. I think it could also be said that the Commission must assist Parliament. Let us put Parliament and the Commission on the same footing. I believe we should demand that Parliament should have the necessary authority to fix farm prices. We are most qualified to fix such prices, since we represent all our peoples. This is the wish I wanted to express.

As for compensatory amounts, it must be clearly stated that the concept is totally inconceivable and

meaningless. Pardon me for recalling that I am speaking not only as a former French Minister of Agriculture, but also as the former Minister of Finance, Economic Affairs and Planning at a period when the French performance, in my view, was not bad. I may therefore say that this idea of compensatory amounts is total heresy. It is absurd because, if there is no European currency, if every State fixes the value of its own currency, then prices must be fixed on the basis of that currency.

Coming back to my report, from which I did not digress all that much, I will say that we have insisted on more aid — from both the quantitative and qualitative points of view — to restore the equilibrium of the regional economies. We should, in fact, admit that it is not through external means involving the setting-up of new and enormous industries that our poorest regions — and there are still some that are poorer than mine — will be best assisted. These regions should utilize their own resources, that is to say they should set up businesses that are not too big, the small and medium-sized farming enterprises, that I mentioned a while ago, craft industries, hotels and so forth.

These are the points emphasized in this report, which will undoubtedly be adopted since it was unanimously approved in committee.

To be sure of this unanimity, I have not asked for a vote on the amendments which I had personally tabled and on which I will say a few words. I think that these amendments were, in any case, viewed favourably and I would move that the House adopt them, not simply to please me — although I would very much appreciate that — but because their adoption will show the interest that our House takes in certain questions.

In the first amendment, which is not really an amendment, I wanted to suggest that the existing regions should set up a body which will act as a forum bringing together elected representatives — if they are available — representatives of the economy and representatives from research, education and teaching. The real solution to the problems lies in this three-party alliance or, as it were, a three-dimensional alliance comprising the dimension of research and education, the dimension of economic and social matters, and the dimension of industrial and economic development. Such is the purport of this first amendment which only conveys a wish and should therefore be approved without much debate.

I also think that the regions should endeavour to provide a first job for young people, even if it is only for a relatively short period. Incidentally, this experiment has been carried out in the region which I have the honour to represent. The regions must assume

Faure

responsibility for this intermediary phase, which is the link between training and real life. We teach young people many things in our respective countries, but times have changed considerably from what they were, and this change is the major problem in modern democracy. In the past, almost all young people knew what they were going to do: many were farmers or craftsmen or carried on the trade of their father. Today, a huge number of young people do not know what they are going to be and where they will be working. It is within the regional framework that an attempt can be made to solve or tackle this problem, because it is both the basic framework for employment and the one within which working life can be given its fullest expression. Though we cannot guarantee someone that he will always live in his village, we can nevertheless tell him that we shall endeavour to enable him to live in his region. Consequently, I think that the region, better placed to provide this guarantee than the nation, can do much with the support of Europe, even if the incentives it offers are modest. The region can ensure this initial transition from abstract training to a working life.

I have also proposed that regions be twinned with a view to exchanging young people who will then be offered jobs from one region of European countries to another. French people from my country should go to the other countries of the Community, while Community citizens of other nationalities should come to France. All these people should find initiation or training courses. This policy will not frighten the trade unions, since the people involved will be temporary workers. The policy will also offer such persons an opportunity to have the experience of working life which in the words of Alain, the philosopher, 'brings us out of childhood'. It will further enable them to have that experience in a wider environment and to begin acquiring a European awareness. Our young people are thirsty for an ideal. They feel victimized by life. Let us open to them the borders that have already become obsolete to us ourselves. Let us enable them to learn the other languages of Europe. I therefore feel that we ought to express this wish as well.

I have added a paragraph on the possibilities of giving regional loans. I think the regions should reflect on this important problem. This amendment is particularly intended to make us aware of the problem of jobs. Ladies and gentlemen, we should clearly understand that whatever we do we shall not be able to create enough jobs for every one with conditions similar to those of the past or even recent times. Owing to the great progress made in the field of technology it will no longer be possible to employ men and women everywhere and indefinitely, for 40 hours a week. This is impossible. The problem must therefore be reconsidered. There was a time when work was

despised; that was in ancient times. Then its honour was rightly restored and upheld. However, it must also be borne in mind that men do not consider work as being the only thing which makes life interesting and, consequently, that something could be done in this connection. In my opinion, working hours should be reduced for everyone. This does not mean anything because there are people who prefer working long hours — people whose jobs are interesting. But there are also people whose jobs are very arduous and for whom the weekly working hours should be reduced — not to 39 hours but to 20 or 25 hours, which would be quite sufficient. I think we should be moving towards modern policies by adapting employment to these new conditions. We should be encouraging part-time and casual jobs. In my view, the regions could, once again be an appropriate authority to evolve such policies.

Madam President, ladies and gentlemen, Mr Dalsager, I thank you all for your kind attention.

(Applause)

Mr Griffiths (S). — Madam President, the Socialist Group will be supporting the Faure report. We regard it as a further step, albeit modest, towards promoting the regions of the Community.

Our great regret is that neither the financial resources nor the policies of the Community are developing quickly enough to meet the evergrowing problems of the regions. There will undoubtedly come a point at which regional imbalances, if not successfully dealt with, will threaten the disintegration of the Community itself. It is therefore imperative that the call in the Faure report for an increase in the money available to the regions is met, and met handsomely.

Further, the request in the report for the Council to approve the new guidelines for the Regional Fund also needs immediate action. The Council is fast becoming the Nero of the twentieth century. It fiddles while the problems of the Community consume in a raging fire all the fond hopes of European cooperation.

Mr Faure places a high premium on local initiatives, which we endorse in the knowledge that the Commission also is seeking to encourage locally inspired solutions to regional problems so often brought about by failures in national economic policies.

My closing plea is for the Council of Ministers to give up the monetarist policies which dominate national economies in the Community at the moment and put back demand into the economy. Without it all the planning, financial help and support for regional economies will come to nothing. A hungry man cannot survive for ever on a diet of water.

Lastly, Madam President, we will not be supporting the amendments tabled to the Faure report.

Mr Pöttering (PPE). — *(DE)* Madam President, ladies and gentlemen, first of all I would like to thank the rapporteur, Mr Faure, on behalf of the Group of the European People's Party, for his report and assure him of my group's full backing for the adoption of this report. It gives me pleasure to have the opportunity to answer a person of the stature of Mr Faure. With the commitment you showed in working for the European Community in your role as minister we will soon achieve our common aim of a European Political Union, which is also behind our attempts at constructing regional policy.

This afternoon we talked about steel, and quite frequently the impression is created that we only have problems with unemployment in the so-called industrial crisis areas, whereas the problems of unemployment is particularly grave in the structurally weak rural areas. This even applies in times of economic prosperity. I shall just quote you two figures: in 1973, when unemployment in the European Community was only 2.5 %, it was 6 % in Ireland and over 5 % in southern Italy. Therefore unemployment is higher in structurally weak areas in times of economic prosperity, too. Today, in 1983, the average unemployment rate for the Community is about 11 %, whereas in Ireland it is over 15 % and in parts of southern Italy well over 20 %. May I also remind the House that in the Federal Republic of Germany, which is often and not always wrongly described as a rich country, there are a few regions e.g. in the northern Ems region, in Eastern Frisia, in the Bavarian Forest and in the areas bordering with East Germany, where there is up to 20 % unemployment. The problem is worsened by the widening of the rift between north and south in the European Community.

When Portugal and Spain, as we all wish, soon become members of the European Community, income in the region of Estremadura in Spain or in the region of Vila Real Bragança, for example, will be only about 6 % of the income of the ten richest regions of the European Community. Now I know very well that these figures are not an absolute yardstick but they do show that the dramatic regional rift we already have in the European Community today will become even deeper.

There is one thing, by the way, about which we should have no doubt at all: a proper economic policy is the best regional policy. When people invest in enterprises, in crafts and in small and medium-sized businesses again, this will also benefit the structurally weak areas of the European Community. What is required above all is a joint basis for economic policy within the European Community in order to restimulate investment in all parts of Europe. In this connection, an important contribution towards the creation of jobs in structurally weak areas can be made by tax policy, in the form of tax abatement for the founding of firms.

In the debate on Mr Faure's report in particular, we would like to urge the Commission and especially the Council of Ministers to make sure that the Regional Fund Directive is quickly adopted by the Council in line with the principle of concentrating regional fund resources. The regions or countries receiving only small amounts from the Regional Fund should not be restricted in their regional policy by Brussels. National or regional policies should not be tied down by special means.

Mr Faure was right in mentioning young people: I believe that we, the Community and its Member States, must do all we can to give young people jobs and we cannot take this task seriously enough.

I would like to say one final word. There is often talk of the crisis within the European Community, but if we look out into the world, as we have looked towards Eastern Europe in the past few days, we as a European Community have every prospect of solving our problems if only we act politically. I hope for Mr Faure's and our own sake that positive progress is made in the next few months and years towards the Political Union of Europe because then awareness will increase, including that of solidarity with the weaker regions of Europe, and we shall be able to act decisively and resolutely.

(Applause)

Mr Maher (L). — Madam President, I too congratulate Mr Faure. We are fortunate in having in this House a man with the brainpower, and the experience to go with it, to help us in deliberating on our policies.

Because I have little time, Madam President, I want to concentrate on one aspect to which Mr Faure made passing reference. One feature common to all of these regions he has been speaking about is space: there is usually plenty of land available. Normally it is not ideally suited to crop production; if it were, these regions would probably not have the problem of depopulation that they have.

On the other hand, most of these regions could produce something that is in short supply at world level and becoming scarcer. The information that we have from some Third World countries is that the situation is becoming more serious by the year. I am referring, of course, to timber.

In the European Community we import huge quantities every year. We pay more for wood imports than we do for any other imports with the exception of oil. Here is a way, if we could marshal our forces together, which we could make a very important contribution towards the development of these regions, using a natural resource that is there on the spot — the wood that is inevitably going to be needed in future.

Maher

At present we are experiencing a temporary respite in relation to oil supplies. That it is only temporary we know from the information we have. It is certain that we are again going to run into a period when oil, oil products and oilbased products become scarcer and more expensive and wood comes more and more into its own.

Madam President, when we come to the early decades of the new century, I think this Community will greatly regret that it did not have a common approach to the production of wood and to the use of these regions which are presently suffering from depopulation. I greatly regret that the Council — and I think the Council should be nailed on this — has made not one iota of progress, in spite of the fact that the Commission has made several proposals and that Parliament has been reasonably active. True, we shall not be discussing forestry in this Chamber until next June, and I am very pleased that at last it is coming up; but it is the Council that has steadfastly refused to make one iota of progress in bringing the countries of this Community together in a common approach to the production of wood. I appeal to this House, in connection with Mr Faure's report, to take a new initiative; I appeal to the Commission — and Mr Giolitti is here tonight — to take a new initiative in developing a policy for timber production in the European Community.

By doing so, we can solve two problems. First, we can help alleviate the drift from these regions, help to keep people back there planting the wood and tending the forests and also provide employment for people in downstream industries. We do not have to import anything into these regions: the means are there already. Secondly, we can bolster up what is going to be a product in serious deficit in the years immediately ahead and in the long term.

We talk a lot about the problems of agriculture and surplus production. But here is a product that has no surplus. There is a serious deficit, a serious shortage, and we do nothing about it!

Madam President, I leave you with that thought.

Mr Lalor (DEP). — Madam President, may I join with those who have already spoken in support of the Faure report and add my personal compliments to the rapporteur. It is refreshing to participate in such a constructive debate on such a well-presented resolution and I am, in fact, impressed by the emerging consensus of opinion concerning it.

From the outset my group has been committed to the expansion of the Regional Fund and we have always regarded it as one of the Community's most useful weapons in the battle against unemployment. We wholeheartedly endorse Mr Faure's demand for significant budgetary increases. I will not repeat what has already been said about the Community's failure to prevent a widening of the gap between the rich and poor regions in the Community; nor will I dwell on

the lamentable progress made in the Council on the revision of the Regional Fund regulation. Suffice it to say that my group is gravely concerned about the steadily increasing regional disparities and even more concerned at the increased disparities between the Member States themselves. We believe that the Community has an obligation to actually reverse this trend.

I would like to concentrate on the problems of the structurally weak peripheral agricultural areas such as Ireland. In doing so I would like to endorse the amendments which have been tabled by my colleague, Mrs Ewing, who is unfortunately unable to be with us this week and I would like to commend them to the House. Nobody could fail to observe the high correlations which exist between poverty peripherally and the predominance of agriculture. Mr Pöttering has already referred to this matter. Consequently I think nobody could dispute our duty to ensure that the EEC's policies are better tailored to the needs and requirements of the remote and structurally weak areas.

The European Parliament and the Commission have already accepted the need for a new nonquota heading for specific actions in favour of transfrontier regions and the remote and sparsely populated areas and islands. We agreed to abolish the *ten jobs created or maintained* rule which was a nonsense in sparsely populated areas. And we also agreed upon a whole series of other desirable innovations, including a geographical concentration of the fund's activities; improved coordination between national and Community policies; a greater role for local authorities in the decision-making process and increased aids and incentives for small businesses, crafts and tourism. We have made this year the small and medium-sized enterprises year, and I think it is important that the Commission and the Council look seriously at this and, as well as that, give serious consideration to giving more autonomy to the regional committees. The Council itself must take the full blame for placing these proposals in cold storage while the unemployment situation has deteriorated so dramatically.

Finally, Madam President, I deeply sympathize with the Community's unemployed, particularly the young who are caught in the vicious circle of being unable to find work through lack of job opportunities. And I particularly sympathize with those who feel obliged to leave the countryside for the relative security of being unemployed in urban areas where at least employment prospects appear to be marginally better. Like Mr Faure, I believe that many of these problems could be overcome by productive investment, and like him I believe we should not overlook the development potential of agriculture. In a timber-hungry Europe a point to which my colleague Mr Maher has referred, it makes sense to assist our foresters to capitalize on the development potential of the forestry industry, for example.

Lalor

In conclusion, I sincerely hope that the Council will find the political will at long last to implement our proposals for an increased and more effective Regional Fund. I count on your support for the Faure report in this House and, of course, for my colleague Mrs Ewing's amendments. I also look forward to being able to support the Commission's proposals for improving agricultural structures in the most disadvantaged areas.

Mr Ziangas (S). — (*GR*) Madam President, Mr Edgar Faure's report, although it successfully analyses the problem of implementing a Community plan to enhance the employment potential of the less-favoured regions, would seem to focus more on the unemployment problems facing the problem areas in the developed countries of the Community.

However, the crisis is more severe in the less-developed countries of the Community, and there are two basic reasons for this.

Firstly, the severe, recession now afflicting the developed industrial countries first manifested itself in the underdeveloped regions, where it crept in gradually. Unemployment in the industrial sector and the disproportionately large role of the agricultural sector are not new phenomena in Greece, Southern Italy and Ireland, countries whose agricultural sectors have the lowest productivity and employ a particularly high percentage of the labour force, in the order of 28 %.

The second reason is that these regions never managed to form an integrated industrial and economic framework capable of being adapted and restructured during the crisis. Their restricted productive base and unviable industrial structure render them particularly susceptible to the fluctuations provoked by the international crisis.

We would also like to make the following points :

We believe that the drive for development, together with the endeavours to find a way out of the crisis, must today include new social forces. The participation of local authorities, the regions, the agricultural and industrial cooperatives and the new investment bodies and the creation of democratic and decentralized planning, should constitute the new qualitative factors not only in the phase of development which we are entering but also in the Community policies aimed at directly combating unemployment.

During the present stage of restructuring of its economic and industrial potential, the Community must provide substantial aid to the regions by drawing on all its resources. On this occasion the diffusion of new technologies, the new forms of economic organization, vocational training and a joint investment drive must include all of Europe, and in particular the underdeveloped regions. If the Community does not succeed today in facing up to the challenge of

balanced development in Europe, not only will the economic policies of the Member States be jeopardized, but also the very cohesion of Europe itself.

IN THE CHAIR : MR LALOR*Vice-President*

Mr O'Donnell (PPE). — Mr President, I would like to join with my colleagues who have already spoken here tonight in sincerely congratulating our esteemed colleague, Mr Faure, on his excellent report.

This report directs our attention to the exceptionally severe impact which the present recession is having on Europe's less-favoured regions. Mr Faure has analysed the problems and made some very practical and feasible recommendations which I sincerely hope will be acted upon by the Commission and by the Council. There is no doubt whatsoever that the present economic crisis is having disastrous consequences for employment throughout this Community. The level of unemployment has reached frightening proportions throughout this Community and in every Member State. The under-developed and less-favoured regions, as Mr Faure has pointed out, have been especially severely hit by the crisis. Mr Faure points out in his report that in less-favoured regions — and indeed Ireland is the typical example — where there has been a dependence on attracting foreign investment to create industrial jobs, the flow of foreign industrial investment has slowed down to a trickle because of the economic recession.

I agree with Mr Faure when he says that these regions have now to rely largely on their own indigenous potential, human as well as physical, to create new employment and new job opportunities. Ireland, indeed, is a typical example of a remote and less-favoured region which has been very adversely and very seriously affected by the current recession. We have pursued a policy in Ireland over the past quarter of a century of attracting foreign industrial investment to our country, and many thousands of new jobs have been created by this policy. Unfortunately, as I already said, the flow of foreign industrial investment has slowed down in Ireland to a trickle, so that we are now left with the situation where we have the youngest population in the Community and a higher unemployment level among our young people than is the case in any other member country. We in Ireland are faced with a daunting task of creating full employment for this very young population, and we must rely on the development of our own natural resources to do so.

I believe in — and, indeed, this is the whole theme of Mr Faure's report — the importance of encouraging the less favoured regions to develop their own natural

O'Donnell

resources and their indigenous potential, human as well as physical. I believe that he has pinpointed and signposted a way in which regions like Ireland can tackle this very serious problem. It can be done by the development of agriculture, of small industries, of craft industry, of fisheries, of tourism and of afforestation, to which Mr Maher has already referred.

It is going to be a very difficult task to organize these potential resources. I believe it can only be done through a coherent, credible, comprehensive Community regional policy, a policy in which there must be participation by the Community and its instruments, by national governments and by the people of the regions through their elected local and regional representatives.

I am particularly pleased that Mr Faure has referred to the concept of integrated regional development. In my opinion there is no better method and no more effective instrument for exploiting the indigenous potential of a less-favoured region than integrated operations. I sincerely hope that the Commission, the Council and the national governments will recognize the importance of integrated operations and that they will lose no time in formulating and implementing this type of operation.

In conclusion, Mr President, I would like to thank Mr Faure sincerely and congratulate him on a superb report.

Mrs Théobald-Paoli (S). — (FR) Mr President, ladies and gentlemen, most distinguished rapporteur, the deep-rooted aspiration to live and work where one comes from has become a leitmotiv which properly expresses the interdependence between employment and regional policy.

As the author of a motion for a resolution to increase the contributions from the European Regional Development Fund with a view to creating jobs, how could I disagree with the approach outlined by Mr Edgar Faure? Of course it is essential to update the national and European schemes for aid to investments that create jobs. Certainly, the decentralized development of regions should be accelerated in consultation with the local and regional bodies. However while the increase in the funds that are absolutely essential to achieve the regional employment goal must be accompanied by serious monitoring of firstly, the actual effectiveness of the plans proposed by the Commission in order to create jobs in the regions — for instance, the Mediterranean regions — and, secondly, of the actual utilization of the funds earmarked for the creation of jobs in certain regions.

Also, as the originator of a draft special programme for the development of the Mediterranean town of Toulon I fully subscribe to the development of integrated operations like those that have been undertaken in Naples or Belfast.

I have three main criticisms and would crave the indulgence of Mr Edgar Faure for criticizing his report.

Firstly, the report does not adequately define the criterion of a less-favoured region. In my view, such a region should be one undergoing a serious crisis — as is the case, for example of my region in the Toulon area, where the only industry we have, shipbuilding is going through and will continue to go through a very serious crisis, or at any rate a region suffering from the severe repercussions of all the various changes which characterize the current economic crisis.

Secondly, the distinction between the various Community funds is indeed too vague, and this may lead to untoward misunderstandings.

Lastly, while it is necessary to support a reform of the European Regional Development Fund, it is, above all, advisable to ensure that the Fund is fully updated to take into consideration not only present achievements but also the new needs of the industrial regions undergoing a crisis.

We are aware of the need for an immediate change; however, we refuse to leap into darkness in the exclusive interest of a few and to the ultimate detriment of most of the regions in the Community.

Mr McCartin (PPE). — Mr President, I too congratulate Mr Faure on an excellent report, particularly on his explanatory statement where he voices many ideals that I have believed in for a long time and sought to put into practice. He has put them much better and in a more inspiring way than I could ever have done.

As somebody who comes from and represents a peripheral and underdeveloped region, but one which I believe has considerable scope for the creation of employment and development, I see two major problems with Community regional policy as it is at the moment.

First, of course, we must say that the amount of money is too small to have any significant effect on the development of economic conditions. As it stands at the moment, it is less than 1.2 % of total government spending in Ireland. The articulation of good policies and pious recommendations is alright, but we will not have any genuine, regional policies if we do not have a transfer of resources from the richer areas to the poorer areas.

The second problem is that this money, because of the loose conditions under which it was given out, led to the development of no new policies. If the small amount of money paid to Ireland, particularly in the early days of membership, were to have any visible effect, it should have been applied not to the entire country but to a carefully specified programme carried out within the more disadvantaged parts of the country. Instead, the money came at the end of a

McCartin

period of rapid economic growth, at a time when well-organized trade unions and social pressure groups were prepared to resist any cuts in real income, whether those came from industry, the services or indeed from social welfare. They succeeded in forcing the government to retain social policies which the public finances could not afford. The result was that the element of additionality was largely forgotten. While I know that the element of additionality is very hard to pinpoint or to prove, the regional grants were spent mainly on the substitution of existing finances which were transferred to policies that did not yield a return in the form of either jobs or economic growth. I therefore welcome the first paragraph in the resolution. I won't read it, as Parliament is already well aware of it, but it envisages, in particular, measures to encourage productive investment which will create jobs and strengthen the local development potential of the regions.

Only a few short years ago the approach of national governments to these problems of regional development was the introduction of large undertakings from outside. Southern Ireland, and indeed Northern Ireland, had a particularly bad experience with some large-scale capital-intensive industries which were heavily financed from public funds and have since disappeared. This was in the days when the idea of industrial growth centres was thought to be the solution to all regional problems. With the advantage of hindsight we can see that in those days investments were made which, if they had been put into the development of indigenous resources, would have yielded more lasting opportunities for development and employment that would not have evaporated in the same way that those created by outside investments did.

I sincerely hope that the Council and the Commission, listening to the wise counsel of Mr Faure and the Committee on Regional Policy and Regional Planning of this Parliament, will put into operation and finance policies that will lead to the sort of developments which he has outlined.

Mr Giolitti, Member of the Commission. — (IT) Mr President, all those who have spoken in the debate have voiced their praise and agreement with Mr Faure on account of his fine report. I am quite sincere in voicing the same sentiments myself on behalf of the Commission.

I do not want what I say to be limited to this praise and agreement. This subject is too important for the Commission not to seize the opportunity to say something about it, although there are a couple of very brief comments I should like to make with regard in particular to two points which came up in the speech we heard earlier from Mr Faure.

The first point concerns the coordination of regional and agricultural policies. The second concerns the

exploitation of local resources and energy sources, what the report calls the indigenous potential.

On the first point let me say that some progress has been made in recent years, especially since 1980 when a study I had carried out by a team led by Professor Henry — whom Mr Faure probably knows — highlighted some of the bad effects of farming policy on regional balance.

This analysis was looked at by the Commission departments responsible for agricultural policy and it led, at the end of 1980, to a major Commission document entitled *Reflections on the Common Agricultural Policy*. This document spotlighted the negative effects of agricultural policy at regional level and suggested suitable amendments, which were in fact made. I feel that there has indeed been a start in applying this method of assessing the regional impact of the various Community policies, which are known by the letters A, I and R. The agricultural policy is mainly involved because it is clear just how important this policy is.

I feel that we are really moving in the right direction. I also feel that substantial proof of this new approach is shown by the recent Commission proposal on integrated Mediterranean programmes for planned and integrated measures at local level in the least favoured areas of the Community, in the Mediterranean region. I feel that these Mediterranean programmes are already providing a tangible response to the needs which were so effectively outlined in the Faure report.

Let me go on now to the problem of exploiting resources and potential. When I mention resources, I am not referring simply to local resources or material resources. I am referring above all to human potential and to the entrepreneurial skills which must be encouraged primarily among the small and medium-sized undertakings and among the craft trades.

I feel that this need has been unfortunately somewhat neglected in the past, when it seemed that we could rely mainly on the transfer of resources from the rich to the poor regions. That pipedream has now been abandoned. It is no good relying on the influx of capital from outside for the less favoured regions, since their socio-economic development will depend mainly on their own ability to develop local energy sources and local potential.

Of course, all this will need not only an exceptional use of Community resources but also a rethinking of its instruments and means of intervention. With this in mind, the Commission has proposed — and in this it is wholly at one with Parliament — a doubling of the Regional Fund in real terms over a period of five years. We have also put forward proposals which are being considered by the Council at the moment, although unhappily they are taking far too long about it.

Giolitti

We have also given the green light to what we call non-quota measures, by which I mean planned measures in specific areas financed from the non-quota section of the Regional Fund, a section which we are furthermore proposing to increase because at the moment it accounts for a paltry 5 % of the Fund. But even with this modest figure we have managed to get on with some interesting experiments, still under way, along the lines indicated in the Faure report. This means we have been supporting measures to boost the economy based primarily on proper information and on contacts between the economic operators and the people they deal with in a broad sense. The aid is also intended to increase the chances of successful investment and to diminish the risks by carrying out, for example, studies to help local initiative and to improve the efficiency of firms, especially small and medium-sized undertakings, with regard to financial management, accounting, the introduction of new types of product, design, innovation in production processes, and market research within the Community and also outside it.

Furthermore, in order to encourage the coordination and rationalization of regional policies at the national and Community levels, the Commission was hoping to take a major step with these proposals to amend the Fund, because we have proposed a switch from financing single projects — with the risks of a piecemeal approach — to financing programmes designed to attain specific development objectives. The idea is to have a better picture of measures and to boost their effectiveness.

Still on the subject of coordination, we are trying out — and this was mentioned in the debate — certain integrated operations which — and I must say this again — are only in the experimental stage for the reason that the available funds do not permit us to extend the scope of these operations. For the time being these measures are restricted to Naples and Belfast, two cities which have problems of an urban nature and which therefore do not enter into the particular scheme of the problems covered in the Faure report. Everything is linked, however.

It goes without saying that priority is being given — and that is our view on the matter — to what has to be done in the less favoured regions, where economic weakness stems among other things from the continued predominance of the agricultural sector over other sectors. I feel that in action as well as in words we are totally consistent with what has been so succinctly put forward in the Faure report.

I am delighted that Parliament has held this debate, even though this is not a particularly good time or sitting for it. Be that as it may, I can assure you that we at the Commission are really committed to further positive action.

(Applause)

President. — The debate is closed.

The vote will take place at the next voting time.

10. *Integrated operations — Earthquake of 23 November 1980 (Intervention)*

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

- the report (Doc. 1-104/83) by Mr von der Vring, on behalf of the Committee on Regional Policy and Regional Planning, on integrated development operations in Community regional policy
- the report (Doc. 1-129/83) by Mr Travaglini, on behalf of the Committee on Regional Policy and Regional Planning, on Community intervention in the Naples metropolitan area and in the areas of Campania and Basilicata affected by the earthquake of 23 November 1980.

Mr von der Vring (S) rapporteur. — *(DE)* Mr President, integration of Community policies, coordination of our financial instruments and alignment of national economic policies — these are the standard demands made by this House. Repeated efforts in the form of new initiatives are repeatedly being made with a view to meeting these demands within the context of the European Regional Policy. However, contrary to what the Committee on Budgets would sometimes appear to believe, the Regional Policy cannot be expected to remedy the lack of integration which we can see in other areas of policy. Regional Policy only comes into play when the various problems have already arisen.

Our constant endeavour in the context of Regional Policy is to make concentrated and effective use of the money available under the Regional Fund, which is far too little in view of the overwhelming number of regional problems. Our Regional Policy is being constantly developed with this end in view and the most recent innovation is the idea of integrated operations which we are discussing here today.

As far as our Regional Policy is concerned Naples and Belfast are the most difficult areas which present the greatest challenges, and the Commission has initiated two integrated operations on an experimental basis in these areas. It convened a meeting between the competent national, regional and local authorities and special cooperation in the field of Regional Policy were agreed upon. The local possibilities for development were investigated, after which an integrated package of individual projects was drawn up and adopted, whereby the Commission will ensure the cooperation of all the relevant Community instruments. Wherever these instruments prove to be inadequate, specific budgetary reserves, approved by this Parliament, are available.

von der Vring

In this way not only have two, as yet uncompleted, integrated development operations come into being but at the same time a new pragmatic integration concept has emerged. From all sides we are hearing cries of 'we want something like that too'. The own-initiative report currently before us concerns the generalization of this concept in the context of European Regional Policy.

In Naples and Belfast, the Commission has brought its political authority to bear and taken on a great personal commitment to overcoming certain quite specific locally-determined obstacles to cooperation. This is something which the Commission can only do in exceptional cases — although it is obviously only in exceptional cases that this sort of thing will be necessary. However, the methods used for the integrated operations could well be usefully applied in Regional Policy as a whole. I am referring here to ensuring cooperation between all the parties involved in the regional development plans for an area, ensuring coordinated use of all the appropriate Community financial instruments, elaboration of an integrated package of development projects which take account of the local development potential and involvement of local organizations and local authorities.

With a view to encouraging the national authorities to make a start on integrated operations of this kind, the Commission has, in the context of the revision of the regulations governing the Regional Fund, proposed a specific improvement involving raising the ceiling for contributions from the Regional Fund to recognized integrated operations by ten points so that the funds available to a particular country may be concentrated on those regions which are most in need. This is in line with a further request made by this House, i.e. for a concentrated use of the available funds instead of sprinkling a bit here and a bit there. Even if we cannot yet speak from experience of completed projects, we can nevertheless already expect this new approach to increase the usefulness of the modest resources available under the Regional Fund and for this reason we should wholeheartedly welcome the idea of integrated operations and give it our unqualified support. The Commission and in particular Mr Giolitti, deserve our acknowledgement for the ambitious, imaginative and practical way in which they are pressing ahead with their attempts to increase the effectiveness of our Regional Policy in spite of all the political obstacles they are coming up against.

Finally I should like, if I may, to make a brief criticism. The Commission would appear to be satisfied with the idea of integrated operations in rural areas being carried out separately, i.e. not as part of our Regional Policy. This however, reflects a lack of structural integration between regional policy and agricultural policy and I do not see how we could meaningfully maintain this dichotomy in certain Mediterranean countries, such as Northern Greece. The

internal logic of the Mediterranean programmes which have been announced demand coordination between agricultural and regional policy, and this extremely knotty problem is the next thing we will have to deal with in the further development of our regional development policy.

Mr Travaglini (PPE), rapporteur. — (IT) Mr President, Mr President, ladies and gentlemen, the Community will not succeed in achieving economic and political integration so long as there are such wide disparities of wealth between the richer regions and the poorer ones.

There is a widespread conviction that economic equilibrium between the various regions of the Community can only be gradually achieved by following a 'community path' to development: apart from the fact that it is specifically called for in the Treaties, a serious commitment by the Community institutions to this aim is becoming more and more indispensable.

Thanks to the decisive action of this Parliament and the more recent initiatives undertaken by the Commission, the Community's Regional Development Policy, though it is still inadequate compared with the extent of the aims to be achieved, has made considerable progress in recent years: to the conspicuous increase in funding for the ERDF — multiplied almost ten times over compared with the original 1975 funding — we may now add a methodological structure which is definitely more suitable.

The 'integrated development operations' are destined to become the most effective instrument of the Regional Development Policy.

The metropolitan area of Naples and the city of Belfast have been selected because of the extreme gravity of their structural problems for the first integrated development operations to be undertaken by the Community.

The Naples operation has already been in existence for three years. It is therefore possible to make an initial analysis of the results so far achieved: the balance sheet is favourable as far as the inventory of the problems, the projects, the available resources and the coordination of activities of the bodies responsible is concerned; it is negative as regards the extent of the actual achievements. The latter have also been slowed down by reasons intrinsic to the very criteria according to which these two cities were selected. The motion for a resolution which we have put before the House today contains some ideas for an improvement in Community action in this field.

By its resolution of 7 May 1981, however, this Parliament gave a wider remit to its Regional Policy Committee: that is to say 'to promote... Community actions capable of making an effective contribution to an appropriate and decisive solution to the structural, employment, and environmental problems of the city and region.

Travaglini

The committee has fulfilled its task by preparing the motion for resolution that I am submitting to you today on its behalf, and it has also consulted the local authorities in Naples. In essence, the inadequacy of the present forecasts for action in the area is recognized; the Commission and the Council are requested to implement further projects centred on a more appropriate use of the Community instruments, in particular;

- to promote urban renewal and territorial development in Naples and the Neapolitan conurbation, also with the contribution of the ERDF;
- to broaden the productive basis of the Neapolitan area through the granting of Community aid which will be a genuine addition to national aid and through greater support of small and medium-sized companies by the EIB;
- to promote suitable structures for technical assistance on behalf of productive sectors and structures for the supply of real services.

But the gravity of the structural problems in the metropolitan area of Naples has obliged the Regional Policy Committee to make a careful examination of the possibilities for Community aid in the medium and long term, obviously in connection with the development of the various Community policies according to the guidelines for political action which have been repeatedly stressed by Parliament.

In the opinion of the Committee, the following are of vital importance for this purpose:

- implementation of the rotation fund for the development of the countries of the Mediterranean, proposed in a resolution by this Assembly on 16 February 1982;
- implementation of a transport policy which will eliminate the serious incidence of the cost of transport on the economy of the peripheral regions of the Community;
- more careful implementation of a Community industrial strategy which will make the best use of the complementary characteristics of the Member States and regions, both within and without the Member States, and which will make it possible to achieve suitable distribution, for the benefit of the Community and with Community support, of productive activity in industry and services in areas such as Naples which, though they have great potential for productive development, cannot achieve this development because they are beset by serious structural problems. In accordance with the mandate it received from this Assembly, the Committee has also looked into the serious problem of the internal regions of Campania and Basilicata which were damaged by earthquake in November 1980.

In that part of the country a vast Community effort intended to speed up a development process which had been launched with great difficulty has been interrupted, with tragic results.

It is more appropriate than ever that this Parliament should ask the Commission of the European Communities and the Council to launch a suitable 'integrated operation' for the development of these areas, based on the strengthening of the entire infrastructural system and agricultural structures, along with the development of small and medium-sized companies, handicrafts and tourism.

Ladies and gentlemen, Naples and Campania are beset by a series of problems which, difficult enough as they are to solve for historical, economic and structural reasons, have become extremely serious and will remain well-nigh insoluble without some concrete expression of Community solidarity, which moreover is required by the definite commitments set out in the Treaty of Rome and which we have begun to give expression to by launching a suitable integrated development operation, the first of its kind.

The Community is called upon to continue and develop its efforts and its commitment to guarantee the success of this laudable but necessary initiative.

(Applause)

Mrs Fullet (S). — *(FR)* Mr President, ladies and gentlemen, I would like to thank the rapporteur for expressing so well the position of our Committee on Regional Policy with regard to integrated operations. The Commission's initiative aimed at implementing a planning process for the development of structurally disadvantaged regions provides a partial remedy to the results of policies pursued in the Community up to now. The idea of integrated operations is very original and must be given firm support.

Regional disparities have in fact been denounced in this House for a long time but we are forced to admit that Community action has so far been only relatively effective. I can only agree with Mr von der Vring in his analysis on the need for better integration and coordination of economic and financial policies in Europe as well as for real coordination of the policies and financial instruments at the Community's disposal.

Nevertheless, the special character and originality of the Community instruments must be preserved in this coordination. One of the assets whose importance must be stressed is the formula for development operations which emphasizes use of the region's own potential without creating new Community instruments. The sporadic action with little economic or social impact carried out so far does not allow the numerous

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problems of structurally disadvantaged regions to be resolved. We are convinced that development is only possible if we use the regions' own human and material resources.

In this report the experimental character of the operations is also emphasized. This is why we believe it would be better not to regulate these operations too strictly or keep them within a rigid framework. The geographical scope of such measures must remain restricted even though many regions may come under consideration and benefit from our action at some future date.

The last question I would like to raise during this debate is whether we have the political will and strength to get the national authorities to take full part in the implementation of the action proposed by the Commission. And is it not time to envisage very seriously a review of our role *vis-à-vis* the European Investment Bank, which to my mind should be under our political control? There is no need to continue creating financial instruments; let us first of all learn to use what already exists.

Having said that, I think that all the political groups are ready to endorse this report. This is my ardent wish and I would like to thank the rapporteur once more for his excellent work.

(Applause)

Mr Pöttering (PPE). — (DE) Mr President, ladies and gentlemen, I too would like to begin by thanking Mr Travaglini and Mr von der Vring on behalf of the Group of the European People's Party — the Christian Democrats — for their excellent report and assure both of them of our support when we come to vote on these reports tomorrow.

The European Christian Democrats, like the two rapporteurs, are in favour of the integrated operations both in the Mediterranean and in Belfast, and also agree that these integrated operations should involve extensive cooperation between the European Community, the individual Member States, the regions and the local authorities, although — as Mr von der Vring has just pointed out — this should obviously not be allowed to involve too much red tape. We hope rather to speed things up somewhat, as Mr Travaglini has rightly pointed out, particularly as regards the Naples operations.

We agree with the rapporteurs that there should be very close cooperation between the various Community financial instruments in these integrated operations and I should like, in this connection, to make a serious criticism regarding the integrated operations which the Commission has proposed and which in principle, I whole-heartedly welcome — and I should like to stress that it is the Commission as such which I am criticizing and not Mr Giolitti personally. Our

criticism concerns the question of financing. The Commission has proposed to spend 6 600 million ECU over a period of six years as non-repayable aid. I should like to remind the Commission that when this Parliament adopted the so-called 'Mediterranean plan' in February 1982 it called for a revolving fund. It did so again in the report by Lord Douro on the accession of Spain and Portugal to the European Community, in the report by Mr Papaefstratiou, which was debated at the part session we held by way of exception in Brussels, and now this idea has been put forward once more in Mr Travaglini's report. We do not wish to reject this sum of 6 600 million ECU but we are concerned that the money should be used sensibly and economically and that its utilization should be appropriately monitored, and we have made considerable efforts — in which we were very grateful for the support of Mr Giolitti — with a view to revising the European Regional Fund. This has taken years and nowadays we can no longer accept any financial instruments based on non-repayable subsidies, since this would be a substantial step backward compared with the revised version of the European Regional Fund which has not as yet been adopted.

I would very strongly urge the Commission — politically speaking, this is a request, but at the same time it is a demand addressed to the Commission since that institution is also answerable to Parliament — not to disregard the many decisions of this Parliament regarding the financing of integrated operations, which we hope will all be successful. I hope these specific operations will be successful, particularly in the case of Naples, but in the case of Belfast too, since only if they are successful will you be in a position to politically justify similar operations in other structurally-weak regions of Europe and for this reason I would ask you to accept our proposals. Do all you can to ensure that the operations in Belfast and, in particular, in Naples are successful so that those two areas can serve as an example for a rational development of regional policy within the European Community so that we will then have both a firm economic and a firm political basis for all our endeavours to promote the development of the structurally weak regions and thereby demonstrate our solidarity with the poorer regions of Europe.

(Applause)

Mr J. D. Taylor (ED). — Mr President, I would like to congratulate Mr von der Vring on the report which he has presented to the House this evening. He has gone into the theory of integrated operations in great detail, but I do think it would have helped the House if he had visited Naples and Belfast and brought us up to date on what practical results he had seen from these proposed integrated operations, that is, if he would have found any in either city.

J.D. Taylor

I am going to be somewhat critical tonight, and certainly not in a personal sense of Commissioner Giolitti. There is, of course, an obvious advantage in coordination, through the integrated operation, of the various financial instruments, such as the Regional, Social and EAGGF Guidance Funds. But a disservice is done to this Community by overselling integrated operations. It is important to emphasize that an integrated operation does not involve any new financial instrument but is simply an extended use of existing instruments. Many Members seem to think that Belfast and Naples have had a great advantage with integrated operations during the past few years. But to date we in Belfast are still not aware of either the final plan of the integrated operation for our city or indeed any projects which have taken place which would not have been carried out through the normal Regional and Social Funds of this Community. One great hope in Belfast, which has the worst housing conditions in western Europe as well as social deprivation and high unemployment, was the Commission proposal to assess the housing reconstruction programme. There was immense regret that the Council of Ministers failed to approve this scheme. The housing proposal, having been rejected by the Council, is now replaced by an alternative proposal for urban renewal in Belfast. This, if approved, could amount to an expenditure of 60 million over the next three years. Of course it is a proposal which, if implemented, would be of immense value to the people of Belfast and would receive our appreciation.

But I must ask the Commissioner tonight if he has any good reason to believe that this alternative proposal is likely to have a better chance of approval. Has he sounded out the various national delegations to the Council, or is this yet another Commission proposal which raises our hopes merely to dash them at later date? What is his proposed timetable for the implementation of the urban renewal proposal for Belfast?

Mr President, my criticism of the integrated operation for Belfast is that the Commission has never informed this Parliament about the actual contents of the operation for either Belfast or Naples. The Commission has a firm programme for the United Kingdom Government for Belfast. Can the Commissioner confirm that this programme is now finalized and that it is finally approved by the Commission? Can he state what projects, if any, are now under way in Belfast in relation to this integrated operation? When will he make available to Members of this House the actual integrated programmes for Belfast and Naples? I would ask the Commissioner to confirm the commitment involved in the particular integrated operation for the city of Belfast.

Finally, Mr President, I would be critical of the basis of consultation about proposed integrated operations in Belfast. Is the Commissioner aware that elected

representatives in that city are merely consulted, but that majority control in the committee which considers the programme is in fact vested in the officials who prepare the programme themselves?

Mr Papapietro (COM). — *(IT)* Mr President, ladies and gentlemen, the Travaglini resolution, like the von der Vring resolution, is an excellent document which we appreciate and which we shall support. In order to save time, I shall only single out one aspect of this report: the attempt to take things further and to find new solutions even in the, as it were, institutional domain. The metropolitan area of Naples and the hinterlands of Campania and Basilicata which have been stricken by earthquake are, from this point of view, a testing ground for Community aid in the region.

This part of Italy, like the south in general, is historically a backward region, the victim of economic backwardness which has been aggravated by the present economic crisis; but it also suffers from general inefficiency in the provision of State aid. This inefficiency lies in the absence of coordination as regards objectives, resources, approaches adopted, distributors of aid and persons responsible for seeing the projects through. We appreciated the efforts made by the Commission and by Mr Giolitti to unify the channels through which aid is provided and to integrate the projects with the aim of unifying, within a common unitary strategy, the bewildering variety of measures and operating structures, but these attempts have not yet been successful, which is a matter of fundamental importance as part of the process of giving the Community the wherewithal to join forces with the economically weaker for the purpose of promoting a health policy — a policy which can no longer be postponed — of reconstruction and reassessment of the Community's territorial resources. This is the point of view we should adopt in approaching the question of a policy for Naples: we do not want a mere aid policy but a policy designed to turn its vast resources to account and, in any case, to restore some kind of Community equilibrium. The Parliament's Committee on Regional Policy is making efforts to achieve these aims: but we can see it coming up against the obstacle of imperfect mechanisms within the structures and within Community powers and procedures; similarly, it is hampered by the excessive diversity of the projects and the continuing disagreements on how to proceed, both amongst those responsible for implementing Community aid and between them and the persons responsible for government programmes. In this respect, there is usually some allusion — and the Travaglini report alludes to it as well — to programmes for the Mediterranean, which constitute the next point on the Community's agenda in this field. It seems to us, however, that it is not enough to tackle this extremely tangled web of objec-

Papapietro

tives, methods and structures — which are often interconnected in a contradictory and paralyzing fashion — by calling, as this report does, for rapid decisions and the minimum of delay, with regard to the Mediterranean programmes as well, without giving the Community — this is the fundamental point — and its Parliament adequate powers to see that these requirements are satisfied. This is a point on which, in my opinion, we need to concentrate a considerable amount of attention. We cannot carry on saying for much longer to the people of Naples, three years after the earthquake, and to the people in the south of Italy and the south of Europe : please excuse the Community and its Parliament for not being, in spite of all their good intentions, any more efficient than your own governments.

Mr Cecovini (L). — *(IT)* Mr President, ladies and gentlemen, the excellent von der Vring report on the Community strategy of integrated operations arrives at the right time, whilst the future financing of the Community is being discussed, not without opposition, in the light of Mr Thorn's proposal to raise the rate of VAT.

Let me say straight away that we Liberals and Democrats are fully in agreement with this proposal, which would give a new lease of life to the European Institutions. However, it should also be said that the uncertainty surrounding the fate of this proposal has already been the cause of some disquiet, particularly in Italy, where the fear is that a shortfall in the Community's own resources could call into question all the Community's achievements in the field of regional policy, making it all the more difficult to implement the integrated operation for Naples and delaying approval of the operation which has been proposed for Friuli-Venezia-Giulia.

As Mr von der Vring remarks, the regional policy lacks adequate coordination of its operations, whilst those who are responsible for it have no real power of decision. Consequently, up until now — as has already been remarked — it has not even partly succeeded in launching the process of economic unification of Europe at the local level, without which European union is destined to remain a dead letter.

What is more, these integrated operations could constitute an ideal instrument for conferring seriousness and efficacy on a policy of economic convergence, provided, obviously, that we decide to go beyond the experimental stage and formally launch such a project, implementing it throughout the Community, and provided that the EEC's intervention rate is raised, if necessary by more than 50 %, thereby giving us a broader basis of specialist assistance. But that is not enough. The question of integrated operations must also be looked at in the light of two events which have recently moved the centre of gravity of the

Common Market to the south-east : the enlargement of the Community to include Greece and the cooperation agreement signed with Yugoslavia. Both these events concerned a frontier, Friuli-Venezia-Giulia, which is structurally weak, particularly the port of Trieste, which this Parliament has already had occasion to concern itself with, but with results which have yet to take concrete form. As early as April 1980 this House recognized that the construction of the 'Adriatic route' could be of use to the Community. Since then the project has taken shape in the form of a proposal for an integrated operation for Trieste-Friuli-Venezia-Giulia-Europe which Mr von der Vring quotes in his report. And it is in the context of this proposal that we must also read questions Nos 220 and 221 of 1983 by Mr Carossino and others, in which they rightly call for the adoption of maritime harbour tariffs for the port of Trieste, that same preferential railway tariff, that is to say, which the Treaty of Rome granted the Hanseatic ports.

Trieste borders on Yugoslavia, an external frontier of the Community, and if suitable measures are not taken in good time — that is to say, those measures mentioned in the proposed integrated operation — Trieste and its port are destined to die. The rate of unemployment is above the Italian average and emigration by young people is continuing to impoverish the city demographically. The San Marco ship yard, the famous Vetrobel factory which manufactured machines for large navel turbines, and hundreds of other smaller industries have all been closed. The large Terni iron-smelting works, which has kept only one of its three blast-furnaces in operation, is similarly threatened with closure. The port, whose business has always come 90 % from abroad, will be practically unused if its traditional function as the Adriatic port of Central Europe is not restored to it.

Within its own territory, Italy is already completing the motorway from Trieste to the Austrian frontier and is also building another railway line from Udine to Tanisio. These works, however, must be completed in their entirety, and quickly, if we want to prevent the region from being completely cut off from the roadway axis, which, with the support of the Community, will link Central Europe to Greece, via Austria and Yugoslavia along a route which is entirely land-based, and, therefore, more expensive, with possible frontier problems and without the benefit of energy saving which is typical of the largely maritime route along the Adriatic Coast.

The integrated operation for Friuli-Venezia-Giulia will therefore solve two problems : the first is an economic problem, whilst the second is a problem of Community solidarity with an adequate policy for North-South relations.

(Applause)

Mr Lezzi (S). — *(IT)* Mr President, I fully concur with the rapporteur, Mr Travaglini, on the need for additional aid in favour of Naples and Campania and the regions of Basilicata which have been devastated by earthquakes, through the granting of interest rate rebates on loans to Italy for slum clearance work in the old parts of Naples and for the promotion of economic recovery in the inland areas of Campania.

We are well aware, however, that aid for the South under the terms of the Regional and Social Funds — and in particular the integrated aid operation in Naples — will be jeopardized in the event that the forthcoming European Council should not approve the Commission's proposals regarding an increase in Community resources. It should not be forgotten that Naples has 107 000 persons on its unemployment registers, 40 % of whom are aged between 20 and 24 years and are looking for their first job. Consequently we need urgent initiatives designed to launch an active labour policy.

Should this not be so, this same brilliant idea of intergrated development operations would be seriously compromised at the very time when interest and attention for it in the Community Institutions, and in particular in the European Parliament, are at their greatest.

We maintain that we must continue along the road that we have embarked upon and act decisively to strengthen the organizational and conceptual powers of the organizations involved — Mr Travaglini mentioned them in his report — in carrying out this intergrated operation in Naples. And then we must call upon the State and the Region to adopt special measures to reduce the time within which these programmes are to be carried out, providing at the same time, as Mr von der Vring maintains in his excellent report, special financial support for the specific coordination measures.

We were very interested to learn from Mr Giolitti that the Commission is in favour of making direct payments to the municipality in the case of Naples, for an experimental period, without involving the Cassa per il Mezzogiorno. The experience of collecting funds distributed by the Regional Fund Committee to the Ente Ville Vesuviane del XVIII Secolo means that we can give particular support to the procedure indicated by Mr Giolitti. It is obvious, of course, that the smooth flow of financial resources, and the volume of the flow will depend on the number of requests for payment which the bodies in question submit.

We have no difficulty in observing, Mr Taylor, that, in comparison with the first integrated operation for Naples, in 1979, there has been a considerable increase in initiatives launched by the Cassa per il Mezzogiorno, the Region and the Municipality in the field of building construction, both urban and residential, in public sanitation works, water supply works, in

the field of public transport and roads, and on port and airport construction and infrastructures for commerce and industry.

All the same — as Messrs Travaglini and von der Vring have pointed out — the conceptual potential needs to be strengthened. It seems to me that this is the right moment to observe that this idea is making greater and greater progress in the European Parliament and is more broadly shared by the various political forces: from Mr Ruffolo, with the Development Agency, to Mr Pöttering with the European Development, to Mr De Pasquale, to Mr von der Vring, to Mr Travaglini, who has insisted in his report on the importance of locating this body in our city.

Consequently, we are particularly pleased that approval has been given to a proposal which is being studied by the Political Affairs Committee with the aim that ultimately a European Development Organization or some comparable body will be set up in the city of Naples, within the framework of the procedure alluded to by Mr Giolitti.

Mr Paisley (NI) — Mr President, I must agree with the remarks made by my colleague from Northern Ireland, Mr John Taylor, about the issue, as far as it affects Belfast. The hopes of Belfast have been raised over and over again by the proposal of an integrated development operation in the city.

Various Commissioners who have visited our city have created these hopes and sustained these hopes. As a result, pressure has been put upon Her Majesty's Government by the three MEPs for the area — Mr John Hume, Mr John Taylor and myself. There have been strong pressures from other elected bodies, including the Belfast City Council and the Mayor of that Council, Mr John Carson, at the time of the first proposal when an announcement was made when Commissioner Burke visited our city. But according to the report which is before us tonight, we are now informed that it is the Council that is dragging its feet. The time has surely come when the Commissioner should spell out to the people of Belfast and their elected representatives here in this House what programme has been proposed by Her Majesty's Government to the Commission. What part of that programme has been adopted and approved by the Commission? What part of the programme has been set before the Council and agreed to by it? Paragraph 44 of the explanatory statement accompanying the report tells us that the Council has so far refused to adopt a regulation for an IDO in Belfast which includes, amongst other things, aid for housing. The next paragraph goes on to say that it is still too soon to report on the experience gained. We have no experience whatsoever about what is happening in Belfast, and I would press the Commissioner to answer the questions put to him by Mr John Taylor and these other supplementary questions that I put to him now.

Mr Halligan (S). — Mr President, in effect there is no regional policy in the European Community. There may be something which is called the regional policy, but it is merely window dressing. I think that is an economic fact. The truth is that the Community has neither the funds nor the will to bring about convergence between its different regions. The truth is that disparities in per capita incomes and unemployment rates are increasing rather than decreasing. The reason for this situation is that the necessary political will to devote funds of sufficient size to end regional inequalities does not exist.

In the first place regional policy is not an economic matter. It is a political matter, because the true regional policy fundamentally depends on the movement of capital from richer regions to poorer ones. That in turn depends on the political authority which syphons funds from one region and consciously directs them to others. However, the whole political orientation of the Community is based on free-market forces, and these necessarily lead to regional distortions. That is the historic experience everywhere.

If there was a genuine desire to prevent the emergence of these distortions, it would have to be expressed by a policy running counter to the market through the democratic planning of the economy. That is anathema to the political orientation of the Community. So it is against this background that the Regional Fund itself must be viewed.

But even within its present narrow and highly unacceptable framework, it is most unsatisfactory in terms of its size and its method of operation. Since the Fund is inadequate because the political will does not exist to make it sufficiently large, there is a great responsibility to use it in the most efficient manner possible. It is incontestable that to date it has not been used efficiently. To date it has only financed individual projects rather than packages of integrated projects. By doing so it has failed to recognize that the causes of under-development are many and unless all of these are tackled simultaneously, the effectiveness of individual projects is severely limited and may, indeed, be worthless.

The von der Vring report is therefore one of the most important documents to come before Parliament because it faces up to this reality. It supports the Commission's proposals to make funds available to a region on the basis of integrated operations rather than individual uncoordinated projects. It therefore marks a considerable step forward. It is most reassuring to learn that the report has received so much support within the Committee on Regional Policy and Regional Planning, and hopefully Parliament will pass it without dissent. If that is so, then paragraph 8 of the resolution calling for greater use of IDOs will take on a special force. So will paragraph 11 which indicates the areas that should receive special help by means of these new approaches.

However, the paragraph does not take account of the fact that some regions, such as Ireland, never went through the Industrial Revolution and require special aid if they are to have any chance at all of catching up with the rest of the Community. In fact, such economic development as did take place in Ireland was achieved on the basis of protection, but most of the jobs thus created were lost as a result of Community membership. This is particularly the case in Dublin where those jobs were concentrated. What has the Community offered in return? Nothing.

I therefore must insist that special consideration be given to under-developed regions such as Dublin. The under-developed state of that area is set out in Mr Cluskey's motion for a resolution, which is annexed to this report. Dublin, in fact, is the most deprived and most oppressed capital in the European Community. It has the highest unemployment rate and the lowest per capita income. Its infrastructure is literally falling assunder and its industry disappearing. As a result, social problems are multiplying and intensifying. For example, the rate of heroin addiction amongst teenagers in the poorer city regions is higher than even in the worst areas of New York.

Therefore I plead before this Parliament that the IDOs should be applied not only to Naples and Belfast — which demonstrably needs the special assistance — but also to the capital city of a Member State, Dublin. If this is not done, then it can be argued with total conviction that Community membership has operated to the complete disadvantage of that historic city. I believe this was not the intention when Ireland acceded to full membership in 1973. I am sure it is not the intention now, Mr President, and I confidently look forward to a programme of special aid for Dublin within the context of the IDOs.

(Applause)

Mr Giolitti, Member of the Commission. — *(IT)* Mr President, first and foremost I should like to thank rapporteurs and all those who have spoken in this debate for the contribution they have made to tackling what I consider to be a vital problem of coordination which we must solve in order to make regional policy measures more efficient, bringing the various financial instruments available to the Community into closer synergy and doing the same thing for Community financial instruments and national ones. The method of effecting this coordination may be brought to bear in a particularly intense and fruitful manner in clearly and precisely defined areas which are crisis points from the social-economic point of view and from the point of view of productivity levels and levels of unemployment. All these conditions are satisfied by the integrated operations which we have been carrying out since 1979 in the urban areas of Naples and Belfast, with the full support, I should like to emphasize, of the European Parliament. And I

Giolitti

should like, in particular, to assure Mr Pöttering, who has insisted that the Commission should take attentive and serious account of what the Parliament has said in this matter, that that is exactly what we intend to do. Concerning the specific requests of Messrs. Taylor and Paisley concerning the integrated operation in Belfast, I am prepared to give details in writing which would take me too long to set out here now, but I also want to remind them that the delay has been caused by the fact that the Council, after spending an extremely long time considering the matter, refused to approve the Commission's first proposal for the construction of new housing in Belfast. Since then, however, there has been a new proposal concerning urban renewal, the creation of infrastructures for urban renewal in that city, and I am pleased to be able to tell the Parliament that, at last, at Council level, and before that, at the level of the Committee and Coreper, an attitude favourable to these proposals has begun to emerge, so that we hope this time the Belfast integrated operation can really be launched. Approval of this regulation on urban renewal is in fact a vital element in this matter.

Coming back to the general problem, I want to remind you that the methodological instruments which we use to implement operations of this kind are essentially the following: first, an outline programme of the operation, the so-called operational dossier, which is subject to revision and which is based on an analysis of the situation and needs of the area, which pin-points the necessary investments and measures, draws up a time-table to implement them and prepares plans for financing them along with sources of finance. Secondly, there is a working party consisting of experts from the various local, regional, national and community bodies participating in the operations.

The task of this working party is to monitor the execution of the integrated operation, to propose amendments and to identify any bottle-necks. The working party has no powers of decision, but it makes proposals to the bodies responsible for the various financial instruments and for the various levels at which they operate on the basis of the regulations and aid criteria. Thirdly, there is a decision-taking structure which takes on different characteristics according to the specific situation and which consists of persons with political responsibility for the operation and it is they who have to take the strategic decisions.

These integrated operations, therefore, are based on a methodology which is flexible and adaptable to different situations and problems. In this respect, the Commission concurs with the opinion expressed in the von der Vring report regarding the need to retain this adaptability and flexibility. I should, however, like to remind you in this connection that if we are to continue in this approach we need to make considerable efforts, particularly as regards human resources,

and the Commission must share in this effort. Consequently, we need to be aware of the fact that, given the narrow limits within which we have to operate, both from the point of view of the budget and from the point of view of the staff available to us, we cannot but confine our attentions to a restricted number of areas, we cannot put more irons in the fire than we are capable of looking after, because this effort of coordination must be carried out simultaneously with the activities that I mentioned earlier. The considerations set out in Mr von der Vring's motion for a resolution certainly make a very useful contribution to defining and completing this methodology, of which I have just listed the main features.

In particular, the Commission is in general fully in agreement with the ideas set out in the von der Vring report regarding the aims of these integrated operations, the minimum requirements to launch an integrated operation, the contents of the basic dossier, the need for regular information on the results of these integrated operations and the procedures and criteria for using the resources of Chapter 541 of the Budget, on which I shall say something in a minute.

I want to devote particular attention to the problem of changes in the legal framework for the integrated operations, with regard to which the motion for a resolution sets out some attitudes which the Commission intends to take very seriously into consideration.

At present this legal framework is based, on the one hand, on the proposed amendment to the Regulation on the Regional Fund, submitted by the Commission to the Council, which contains a section concerned exclusively with integrated operations; on the other hand, it is based on this very Chapter 541 of the Community Budget, which was introduced at the request of the European Parliament and which provides for appropriations to finance preparatory studies for integrated operations and to finance special measures within the framework of a particular integrated operation.

The proposed amendment to the Regulation on the Regional Fund, in its Article 29, along with a definition of integrated operations and some general comments on coordination and consultation at Community and national level, provides that the investments and measures entered under the integrated operations should benefit from an increase of 10 points in the Fund's intervention rate. In this way we intend to provide additional financial incentives for operations of this kind.

Investments included in integrated operations are, therefore, given priority treatment. This, of course, does not yet make up a complete regulatory framework. To achieve that shall we undoubtedly take to heart the ideas which have been suggested to us by these motions for resolutions and by this Parliamentary debate.

Giolitti

Concerning the preparatory studies for the integrated operations, which may be financed using the appropriations provided under item 5410 in the Budget — we are talking about 2 million ECU — these studies provide an opportunity for Community help during the stage of planning the operation. Between the end of 1982 and the beginning of 1983 the Commission decided to finance five studies concerning regions of Italy, Greece and Belgium. By providing finance for these studies the Commission wished to broaden the range and the type of situations to which this method of integrated operations may be applied.

The aim of the appropriations under budget line 5411 — amounting in 1983 to 16 million ECU intended to finance specific measures under the heading of integrated operations — is to provide finance, along with the national, regional or local authorities, for measures which, though indispensable for the purpose of achieving the aims of the operations, have not been provided for — or are only partially provided for — by the existing financial instruments. Here again we are talking about additional finance in favour of integrated operations. This is a budgetary line which should give us an opportunity to supply additional resources. In fact, experience shows that the lack of this additional finance raises serious obstacles to the success of operations of this kind. Regarding the choice of measures, this will be undertaken by the Commission, in agreement, naturally, with the Member State in question, on the basis of information supplied by the preparatory studies or from the operational dossier for the integrated operation.

Finally, I want to draw your attention to two proposals in the von der Vring report: the proposal concerning an increase in the section concerning integrated operations in the Fund's regulations and the proposal concerning the definition, under the terms of this Regulation, of the procedures for making use of the resources available in Chapter 541 of the budget which I have already alluded to.

In this connection, the Commission think that it would be useful to draft an *ad hoc* regulation for the integrated operations which would, in particular, specify the procedures and the criteria for making use of the financial resources which are specially set aside for integrated operations, thereby obviating the need to refer to a specific regulation for each integrated operation and speeding up and facilitating the decision-taking process on the basis of a uniform set of rules.

Concerning Community operations in the metropolitan area of Naples and the areas of Campania and Basilicata which have been devastated by earthquake, it is first and foremost desirable to emphasize the interesting results which have been obtained in Naples with the integrated operation in terms of the concentration and speeding up of the flow of national and

Community funds for planning. We have succeeded in setting up a system of effective consultation amongst the various bodies concerned and we have prepared flexible operations which are brought up-to-date to suit the changing nature of the problems and changes in priorities.

The Commission shares this view of the situation and considers that the suggestions set out in the Travaglini motion for a resolution are extremely useful. The Commission reserves the right to go into these matters with the appropriate degree of care in order to speed up this particular integrated operation, something we have already begun to do by strengthening the operating structure through the medium of a permanent secretariat which will provide support and assistance to the working party I mentioned earlier on.

Finally, I want to stress that the Commission is in favour of launching another integrated operation in the event that the Italian authorities concerned with such matters should request it, though with the reservations that I have already voiced concerning the possibility of adding additional integrated operations to those which have already been undertaken.

We recognize, nevertheless, that it is important that we should begin to look at the possibility of an integrated operation in the hinterlands of Basilicata which have been devastated by earthquake. We are, of course, prepared to finance part of the costs of an initial feasibility study with the the aim of launching such an integrated operation.

These, Mr President, ladies and gentlemen, in the limited amount of time that I have been given, are the reflections that I considered needed to be made on this important topic, which I hope we shall have the occasion to take up again in a future debate.

(Applause)

President. — The debate is closed. The vote will be taken at the next voting time.

11. *Peripheral maritime regions and islands*

President. — The next item is the report (Doc. 1-105/83) by Mr Harris, on behalf of the Committee on Regional Policy and Regional Planning, on the peripheral maritime regions and islands of the European Community.

The following oral questions, with debate, are also included:

— by Mr De Pasquale and others (Doc. 1-1347/82) to the Commission:

Subject: Aids to agriculture in Sicily

Having regard to the proceedings initiated against the proposed system of aids for agriculture in the Region of Sicily (Regional Laws Nos 16/81, 10/81 and 97/81);

President

Having regard to the results of the studies carried out by the Commission into the regional impact of the common agricultural policy which show that it has increased the gap between regions;¹

Having regard to the decline in agricultural incomes which has drastic consequences in lower income areas;²

Will the Commission state:

1. Whether it believes that agriculture in a less favoured region such as Sicily can possibly survive and develop solely on the basis of the support measures provided for in the present Community policy, notably with regard to Mediterranean products?

2. Whether it is aware of damage caused so far to agriculture in Sicily by repeated violations, notably in the wine sector, of the principles of market unity and the free movement of goods?

3. Whether it does not agree that regional aids intended to improve the production, marketing and processing structures for agricultural products, including for instance interest rate subsidies, and those intended to promote the creation of cooperatives and producers' associations have a positive effect on the development and modernization of this region?

4. Whether it intends during the current year to honour its repeated undertakings to reform the CAP in order to provide genuine support for Mediterranean areas and products with a view to eliminating the increasing imbalances within the Community and creating the conditions for suitable agricultural development in less-favoured areas?

— by Mr Carossino and others (Doc. 1-220/83) to the Council:

Subject: Rail tariffs and the port of Trieste

Having regard to the crisis currently affecting the port of Trieste and the importance that the Community should attach to its revival;

whereas this crisis is aggravated by the existing discriminatory situation brought about by the preferential tariffs applied to transport by rail to the Hanseatic ports and whereas this situation is helping to weaken Trieste's rôle as a central European port;

whereas the Treaty of Rome makes provision for such preferential tariffs and the Commission has repeatedly declared that they do not violate the

Community rules on competition insofar as the prices are based on competition between modes of transport with particular respect to the transportation of large containers in block trains;

whereas there is no historical or geographical reason why the port of Trieste should not be granted the same rights as the Hanseatic ports;

Does not the Council consider that a protocol should be negotiated to put an end to this abnormal situation?

— by Mr Carossino and others (Doc. 1-221/83) to the Commission:

Subject: Rail tariffs and the port of Trieste

Having regard to the crisis currently affecting the port of Trieste and the importance that the Community should attach to its revival;

whereas this crisis is aggravated by the existing discriminatory situation brought about by the preferential tariffs applied by the Deutsche Bundesbahn (Seehafentarife) for transport to the Hanseatic ports and whereas this situation is helping to weaken Trieste's rôle as a central European port;

whereas the Commission has repeatedly declared that these preferential tariffs do not violate the Treaties since they are applied to the transportation of large containers in block trains and the prices are based not on competition between sea ports but on competition between the modes of transport and the traffic movements concerned;

whereas the agreement concluded between the railway authorities of Italy, Austria and West Germany on rail tariffs for the carriage of goods to or from the port of Trieste has not yet been implemented;

What does the Commission intend to do — having regard to the present negotiations between the EEC and Austria — to have the above agreement implemented and applied to all traffic movements?

What measures does the Commission intend to take to compensate for the different tariffs described above which place the port of Trieste at a permanent disadvantage?

Mr Hutton (ED), deputy rapporteur. — Thank you, Mr President, it is nice to have the honour of the big finish tonight.

Throughout history nations, and groups of nations, have wrestled with the problems of peripheral regions. I am thinking in particular of that magnificent area where I am about to make my home in only a few

¹ Study of the regional effects of the CAP — Regional Policy Series No 21 of 1981.

² COM(82) 98 fin.

Hutton

days' time, the Borders of Scotland, where once that skilful Roman emperor Hadrian had to build a wall to protect his mighty legions from the wild North Britons and where, much later, the Scots borderers regularly raided the English borderers, the English borderers raided their Scottish neighbours in return and both of them felt more enmity towards their own countrymen than they did to each other.

Neither an emperor in Rome nor governments in Edinburgh or London could do much to manage those areas. It was only when the two countries united that peace began to fall over that proud wild land. *(Applause)* Fortunately, the peripheral regions of our European Community are slightly more manageable these days, but they still have their own difficulties, which give us headaches every bit as painful as the old border unrest.

In this report Mr Harris, whose attention is particularly directed to one peripheral maritime region in the south-west of England tonight, has made a comprehensive and detailed study of the difficulties facing areas as diverse as the Cyclades and the Shetlands. In spite of the sharp differences in the climates of places so far apart, they share remarkable similarities. Peripheral regions generally are at the bottom of the economic league tables, they are disproportionately dependent on primary industries, they are remote from markets, have higher-than-average unemployment, have high transport costs and slow journey times, have difficulties with energy supplies and high living costs, lack many basic services and suffer from depopulation.

A Community which ignored these difficulties would not be a Community at all. We are on the way out of a savage world recession. We understand the pressures on governments and on the European Commission, but we say that because these peripheral maritime regions and islands are liable to be the slowest to pull away from the recession, if we are to prevent the gap between rich and poor areas growing wider these places are where the effort is needed from the Community.

Mr President, we are talking about 38 regions and nearly 500 inhabited islands; so this is no special pleading for a select tiny area. It is a sizable part of our Community. The greatest difficulties are in the south of Italy and in Greece, and I expect that the representatives of those areas will tell you tomorrow, more graphically than I can, about the conditions there. So perhaps you will allow me to draw on my experience in my own country of Scotland to illustrate some of the difficulties.

I regularly visit the Isle of Coll to the west of Scotland, and on one of my visits there a couple of years ago one of the islanders — a good friend of mine — was taken seriously ill. The nearest hospital

was on the mainland, so a small plane was called and it had to land in a field some miles from his cottage. When I visited him the next day in hospital and asked him how the journey had been, he said the flight was fine but they could not take off until the nurse had unwound the grass from the wheels of the aeroplane.

When I worked in the Shetland Islands, the dockers in Aberdeen, from where the ferry sails, went on strike. In a week, Mr President, those islands were short of milk and had pretty well run out of flour and fats. It was approaching winter, and farmers who could not get their sheep off the islands were becoming frantic because there was practically no grass left to feed the waiting beasts,

I have sat, Mr President, on the Isle of Coll in many a storm and watched the ferry carrying the milk, bread, meat and all those other things which people have a right to expect to make their lives tolerable in a civilized society simply sail past and away into the mist. It is not only on islands that conditions are more difficult. Petrol is a vital commodity nowadays, and there are many places in my own area, the south of Scotland, which are a long way from a petrol pump. When you get there it is always significantly more expensive than it is in the cities, and woe betide you if you run out of petrol at night there! A recent study of consumer problems in rural areas pointed to a severe decline in remoter areas of Scotland with fewer ships, fewer post offices, fewer primary schools and fewer doctors, and I have no reason to think that the situation is any different in any other Member State.

These basic services tend to have a leapfrog effect: when one goes, then so can the others. And when the services go, so do the families. Without the families and the next generation growing up, these areas will surely die.

There is a slogan that I would like the Parliament to recommend as a habit to every citizen, and especially those in rural areas; it is: 'Support your local shop.' It is a slogan which I would also like to recommend to the Commission, and, I would ask them to find out what is going on in other peripheral maritime areas, such as Norway, to foster local services. There are schemes to help train and advise local shopkeepers in such things as book-keeping, displays, stock control and all those elements which make the difference between success and failure in keeping a shop which can often have to double as a bank, a citizens advice bureau and a public information exchange as well.

A problem common to all our peripheral areas, Mr President, is transport: the ferries and aeroplanes to islands, and roads and drivers' legislation in mainland areas.

(The president urged the speaker to conclude)

Hutton

Across the border from Scotland, into England run four main roads, one dual carriageway, one three-lane road and two single carriageways. Those are the sort of roads that our drivers are expected to make their journeys on; their journeys from places such as Scotland and the Republic of Ireland are significantly slower than they are in the main areas of the Community, Mr President.

Earlier, many representatives spoke of the importance of farming, fisheries and forestry to such areas as these. I imagine that most Members have been too busy to read Mr Harris' report. But I sincerely hope that perhaps between now and the continuation of the debate they will enjoy making themselves fully acquainted with it, and I look forward to this House giving overwhelming support to this report and underlining our concern for those remote parts of our Community without which we would all be diminished.

(Applause)

President. — Thank you, Mr Hutton, for your cooperation. In fact I appreciated the problem about Scottish roads, but Mr Schulte, the President-in-Office of the Council, has travelled down from Bonn tonight to answer Question No 220/83 which is linked in with this report, and I was terribly anxious to make sure that we get him fitted in before we adjourn for the night.

Mr Schulte, President-in-Office of the Council. — *(DE)* Mr President, ladies and gentlemen, first of all I am to answer Oral Question 0-18/83 by Mr Carossino and others. The answer is the following: In its Decision 82/529/EEC of 19 July 1982, the Council recognized that the railway undertakings of the ten Member States had the necessary commercial autonomy to increase their cooperation in fixing transport prices and conditions in trans-frontier goods traffic. For the

rest, it is up to the Commission to check whether railway charges are compatible with the EEC Treaty and ECSC Treaty. The Council has so far not received any proposals or communications from the Commission on this subject:

If you agree, Mr President, I shall also answer the other two questions that remain and which I came here for. They are Question 0-127/82 by Mr Seefeld and others on transport policy and Question 0-150/82 by Mr Maffre-Baugé.

President. — Mr Schulte, I fully appreciate the fact that you have come especially for this, but we have had an extremely long day, as you can appreciate — as you yourself have had. But there is the difficulty that Members might be anxious to leave their question over for another month with a view to being here to hear the reply and to follow it up. I think that being so — we are on item No 95 on the agenda — that particular question to the Council from Mr Carossino, Mr Fanti, Mr Gouthier, Mr Veronesi and Mr Cerauolo is the only one we can deal with at the moment. I gather that it may be possible to get the rest of the replies dealt with by some type of correspondence.

Mr Schulte, President-in-Office of the Council. — *(DE)* Mr President, if you agree I would like to reply to Oral Question 127/82 by Mr Seefeld and others.

President. — No, Mr Schulte, I'm sorry.

This debate will resume in the morning after the vote at 9 a.m.

I want to apologise to the President-in-Office of the Council for not being able to deal with all our problems. This is one of the frustrations that we ourselves as Members quite often have.

*(The sitting was closed at 12.05 a.m.)*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)

MOTIONS FOR RESOLUTIONS 'POLAND'

- **DONNEZ (Doc. 1-299/83): ADOPTED**
- **HABSBURG (Doc. 1-304/83)**
- **GLINNE (Doc. 1-326/83)**

REPLACED BY AMENDMENT NO 1 WHICH WAS ADOPTED

* * *

MOTIONS FOR RESOLUTIONS 'MIDDLE EAST'

- **BEYER DE RYKE (Doc. 1-277/83/rev.): REPLACED BY AMENDMENT NO 1 WHICH WAS ADOPTED**
- **WEBER (Doc. 1-325/83): ADOPTED**
- **WIECZOREK-ZEUL (Doc. 1-322/83)**
- **SCHLEICHER (Doc. 1-309/83)**

REPLACED BY AMENDMENT NO 1 WHICH WAS ADOPTED

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MOTIONS FOR RESOLUTIONS 'WILLIAMSBURG SUMMIT'

- **de la MALENE (Doc. 1-316/83): ADOPTED**
- **BONACCINI (Doc. 1-335/83): ADOPTED**

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MOTIONS FOR RESOLUTIONS 'LATIN AMERICA'

- **LIZIN (Doc. 1-321/83/rev.): ADOPTED**

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- GATTO (Doc. 1-323/83/rev.): ADOPTED
- FANTI (Doc. 1-333/83): REJECTED
- GLINNE (Doc. 1-336/83): ADOPTED

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MOTIONS FOR RESOLUTIONS 'NATURAL DISASTERS'

- ANSQUER (Doc. 1-371/83): ADOPTED
- HERKLOTZ (Doc. 1-324/83/rev.): ADOPTED
- DIANA (Doc. 1-338/83): ADOPTED

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MOTION FOR A RESOLUTION SIR FRED WARNER

(Doc. 1-278/83): ADOPTED

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ENLARGED BUREAU REPORT (Doc. 1-1310/82 'Powers and responsibilities of the Parliamentary committees): ADOPTED

Explanation of vote

Mrs Veil (L). — (FR) Let me say that I shall be voting in favour of this report even though I am sorry that the Legal Affairs Committee was not even asked for an opinion on changes to the Staff Regulations when they have financial repercussions.

In my opinion there are always legal implications and I must say, in my capacity as chairman of the Legal Affairs Committee, that I am very sorry that the committee will not be consulted on these matters, because the amendment along these lines was rejected.

However, it has been confirmed that the Legal Affairs Committee will be responsible without question with regard to all actions, and in the circumstances this document — which anyway generally just confirms what has been worked out until now — seems quite satisfactory, although it is a matter of regret that this important document by Mr Vandewiele has only reached the House now after being ready two years ago. Be that as it may, I wish to thank Mr Vandewiele for the work he put into it.

(Applause)

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PENDERS REPORT (Doc. 1-63/83 'Relations between Greece and Israël'): ADOPTED

The rapporteur was :

- AGAINST Amendment No 1

Explanations of vote

Mr Sieglerschmidt (S). — (DE) I shall vote for the motion for a resolution in the Penders report for the following reasons :

1. Full diplomatic relations between civilized nations should not be a matter of like or dislike or of esteem or disregard but should be the rule.
2. This is particularly true in the case of the barely 30 parliamentary democracies among the world's 150 States.
3. Israel is the only democracy in the Middle East and this was clearly shown by the massive demonstration in favour of peace during the war in Lebanon and by the commission of inquiry into Shabra and Chatila.
4. If there is going to be closer political cooperation, the Member States' relations with third countries should all have the same formal basis.

Lastly, political cooperation is part of our *acquis communautaire* and the resolution therefore does not represent any interference in Greek domestic affairs but is simply a friendly request to a partner.

Mr Schwencke (S). — (DE) The explanation of vote on the Penders report gives me the opportunity to explain briefly why I take a different view from most of the Members in my group. Like Mr Sieglerschmidt I shall be voting in favour of the motion in the Penders report, because in the first place I feel that the Greek decision not to have diplomatic relations with Israel but to maintain good relations with the PLO is an immoral and shameful act.

(Applause)

Secondly, I have said before that I thought it was wrong for Greece to be able to join the Community without this question being settled. I am not saying this because I think we should speak with one voice but because I think that the credibility of the Community is strengthened with the existence of full diplomatic relations.

Thirdly, in voting for this motion for a resolution, I want to make it clear that I should like to see full authority for the European Community to act in matters of foreign policy.

(Applause)

Mr Nordmann (L). — (FR) I shall vote for Mr Penders' report because I feel that the motion for a resolution it contains is good for Greece and for Europe as well. It is good for Greece in the sense that the country is being invited to take another step towards democracy by coming closer to the unfortunately very small number of democracies in the world. It is good for Europe in the sense that it will enable Europe, especially with the Greeks in the chair at the Council, to retain some authority on a controversial matter. In particular, it will be possible to remedy some of the off-centre ideas which have emerged in some of the Community positions, notably the unfortunate Venice declaration. What it amounts to is that this motion for a resolution by Mr Penders offers Greece and Europe a chance to avoid a second-rate Greek presidency.

Mr Marshall (ED). — The fact that a number of countries still do not recognize the State of Israel, 35 years after its foundation, is offensive not only to Israelis but to many other people, and it is a matter of great sadness that Greece, the home of democracy, still fails to recognize the one true democracy in the Middle East. So, for that reason alone one will be voting for this motion.

But there are other reasons as well. The first is a practical one in that Greece is about to accede to the Presidency of the Community, and it is surely wrong that the country about to assume the Presidency of the Council of Ministers does not recognize a State with whom we have an association agreement.

(Applause)

It would present substantial practical problems if Greece were to accede to the Presidency without first recognizing the State of Israel.

The fact that this House has had to debate Mr Penders' report does emphasize the need to ensure that before Spain joins the Community it also has full diplomatic relations with the State of Israel.

We debated a report yesterday and are voting on it today, some 2 1/2 years after Greece acceded to the Community. These practical problems should be solved before applicant States join the Community, rather than afterwards.

(Applause)

* * *

Mrs Boserup (COM), *in writing*. — (DA) This motion looks so respectable and cautious. Parliament 'wishes to see' Greece changing its attitude towards Israel. However, despite the diplomatic language, this is a clear attempt to put pressure on the Greek Government to bring its foreign policy into line with what a majority in this House feels to be right. This opens up extremely strange perspectives, and the explanatory statement even states that Spain, as well, must now bring its foreign policy into line with the wishes of this House. This kind of thing represents unacceptable interference and must be rejected, which is why I shall be voting against the motion.

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MOREAU REPORTS 'NCI'

— Doc. 1-234/83 : ADOPTED

Explanations of vote

Mr Bonaccini (COM). — (IT) I am speaking simply to say to Mr Moreau and the other members of the Committee on Economic and Monetary Affairs that we made no contribution for the simple reason that we had no time to give our opinion on the matter. Let me take this opportunity to say that we are totally in favour of this motion for a resolution and we shall therefore be voting in favour of it.

Mr Halligan (S), *in writing*. — The New Community Instrument is one of the few positive responses by the Community as a whole to the terrifying crisis of mass unemployment. It can be rightly argued that the Fund provided by the Community in order to stimulate investment is not very large when compared with the numbers unemployed — 12 million in total with an annual growth rate of an additional 1 million.

Confronted by this fundamental challenge the Council (of Ministers) has decided to contract new loans to be used for investment purposes up to a total of 3 000 m ECU (£ 2 100 m). That is somewhat less than the public capital programme in my country, an economy which only represents 1 % of aggregate Community GNP. So this places the sum in context.

Still, having done that, the decision must be welcomed, particularly by a Socialist, notwithstanding the reservations expressed by the Committee on Economic and Monetary Affairs about some aspects of the Council's decision. These reservations, which I support, are given legitimacy by the Council's own expressed determination to stimulate projects which will contribute to the greater convergence and integration of their economies. These are :

Firstly, the NCI must be given a permanent status within the overall framework of Community policy in combating unemployment. The refusal of the Council to do this is indefensible and to be deplored. Mass unemployment is not a short or medium-term problem. It is a fundamental defect in the present economic order and requires permanent policy designed to counteract it.

Secondly, the NCI must be incorporated in the total Community budget, similar to the capital side of a normal State budget. That would have great merit methodologically. It would also enhance Parliament's power over the use of the fund.

Thirdly, the unwillingness of the Council to overtly incorporate the service and commercial sectors of the economy within the ambit of the instrument is to be regretted. These sectors are rich in employment opportunities.

Finally, it is obvious that the NCI itself must now be incorporated into an integrated Community programme for combating unemployment which would knit together the Regional Fund, Social Fund and the regional aspects of the CAP. The regional significance of the NCI is implicitly recognized both in the Council decision and the Parliament resolution.

I ask that this element should be brought to the fore, because mass unemployment has wide regional variations requiring different responses. These regional variations must be confronted before they can be solved.

— Doc. 1-236/83 : ADOPTED

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WAGNER REPORT (Doc. 'Steel') : 'STEEL' : ADOPTED

The rapporteur was :

- IN FAVOUR of Amendments Nos 15, 19, 21, 23, 24, 25, 27, 51, 54, 56 and 57 ;
- AGAINST Amendments Nos 16, 18, 28, 29, 31, 32, 34, 36, 37, 39, 42, 45, 46, 47, 48, 49, 50, 57, 58, 59, 60, 61, 64, 65, 66, 68, 69, 70, 71 and 72.

Explanations of vote

Mr Van Rompuy (PPE). — (NL) I should like very briefly to explain why I intend to abstain. The report contains no proposals for revising the criteria governing aid in the steel sector, which I regard as too general and too vague as they stand — unlike the arrangements in other sectors. Reduction of production capacity is not in itself sufficient to restore profitability by 1985, if we consider the probable trends in demand. I should therefore like to protest against the fact that massive government aids are to be continued in the case of a number of privileged steel undertakings, such as Cockerill-Sambre in my own country, while no funds are available for a policy of renewal. The aid arrangements must be made more stringent as otherwise we will waste more time and money which could otherwise be spent on the industrial renewal which we so badly need.

Mr Rogalla (S). — (DE) The Commission is having problems in coping with the developments in the vital steel sector and the matter also slipped past this Parliament as well. What a disappointment at the end of the debate : in this key sector of European industry we could well have lost touch with the day-to-day problems. In how many other sectors have we already dashed the hopes of our citizens ? Anyone who talks about this Parliament and the people and then disregards the European steel industry should be ashamed of himself. Anyone who wants to make the steelworkers the scapegoats for the constant stream of new technological ideas needs his head looked at. Anyone who fails to see just how much the steel firms and their managers are to blame for this ECSC emergency plan must be half blind. It was as long ago as 1973 — when the world economy changed course after the hike in oil prices — that we could calculate how many millions of tonnes less of sheet steel we should need, on account of weight reductions, especially in the automobile industry. But for a variety of reasons entire levels of management in the Member States and in the USA simply pushed this likely development out of their minds. This lack of foresight is now threatening the existence of many people in Europe.

But the realization of this bitter fact should not be allowed to bring other mistakes, such as a breakup of the market and border checks, in its wake. The citizens of Europe already have to put up with a lot of silly, time-wasting and dubious checks and now someone who cannot see past the end of his nose wants to measure and weigh hot-rolled steel, coils and T-girders. We have to put a stop to the way the steel industry is tearing itself apart in its fight for orders, and we have to encourage the as yet halfhearted willingness to cooperate on VAT rates and to have voluntary restraint agreements with third countries. I am against countries going their own way and against the stone-age rule of European industry, and I am for the Wagner report which represents a first stage in this Parliament's efforts for the working people of the Community.

Mr Griffiths (S). — There is much in the Wagner report that deserves to be supported, but, as I mentioned earlier, there is one chink in its armour which, even in its amended form, could be deadly to the British steel industry: its reference to 'proportions of the total output of the EEC'. This could be used by a Tory government as an excuse to close down steelworks in the United Kingdom.

The announcement today by the outgoing Tory government that is seeking re-election that the BSC's corporate plan has been approved could easily be an election ploy. If re-elected they could, at a later date, spuriously say they were forced to close a steelworks to fit in with the EEC's steel policy. After all, in 1979 they promised that value-added tax would not be doubled from 8 % to 16 %. Within months VAT was increased to 15 %. Thus, today's announcement that all five steelworks are to be kept open could be as well-kept a promise as that of not doubling the VAT.

Because of my fear that a future Tory government — though heaven forbid! — will seek to justify their closure action by referring to Community policy statements, I will abstain, though there is much in the report that deserves support.

(Protests from the European Democratic Group)

Mrs Lizin (S). — *(FR)* I shall abstain from voting because all the more social elements have been taken out of this report; I mean the reduction in the working week and retirement at 55. We have noted the Commission statements on the need for regional reconversion but when action was called for most of the people in this House refused to do anything to turn the proposals into reality. I am thinking in particular, with regard to the Walloon region, of some Members on the government side, especially Mr Herman.

Furthermore, Mr Davignon told us he could not participate in the debate on the Gandois report because he knew nothing about it, yet everyone knows it was drawn up by his cabinet. This kind of hypocrisy, when the workers are marching in the streets, is the last thing we need. He also told us that he would see to it that the European standards and criteria were respected. In this way there would be an indirect but unequivocal response to the idea of temporary derogation, without which there would be no hope for Wallonia. There is one thing we agree about, Mr Van Rompuy, and that is that Wallonia needs to get out of the grasp of people like you and the Belgian State as quickly as possible!

(Protests from various quarters)

President. — Mrs Lizin, I think the Vice-President of the Commission should have a right of reply.

Mr Davignon, Vice-President of the Commission. — *(FR)* Mr President, it seems to me that when we are debating a topic as important as the survival of the steel industry in Europe, no Member should be ruled by feelings and make statements which are quite clearly wrong and incorrect and have nothing to do with the subject.

(Applause)

Mr Moreau (S). — *(FR)* Personally, I shall be voting for this report. The report was adopted by a small majority on the Committee on Economic and Monetary Affairs and the votes that have taken place show that on a certain number of problems which some of us were concerned about — I am referring to the specific proposals for the Lorraine-Saar-Luxembourg agency, the fund to encourage and develop inventions and the plan for a 35-hour week — there is a majority of Members in this House who in fact want to do something, but when it comes to the event there seems to be a kind of fearfulness which is inexcusable to my mind.

Be that as it may, I shall be voting in favour of the report, because on the one hand it shows just how important the problems of the steel industry are to the European Parliament and on the other hand I am sure it will enable us to make some progress on a number of problems.

Mr Alavanos (COM), *in writing.* — *(GR)* Despite the fact that the Wagner report on the problem of the steel industry came up for discussion in the European Parliament together with a motion for a resolution by the Greek Communist Party demanding that the restrictions not be applied to the Greek steel industry, the rapporteur sidetracked and ignored the issue, Mr Davignon has taken a particularly negative stand on this demand and has claimed that any increase in Community steel production would be a burden for the Community. The Greeks demand neither 'alms nor a favour'. It is the right of our country to practice a policy of national industrial development without instructions from outside.

Mr Fischbach (PPE), *in writing.* — *(DE)* Like most of my fellow Members I could have gone along with the Wagner report much more easily if on the basis of the improvements voted by the House the same report had become substantially more balanced and consistent and if we had not seen the rejection of paragraph 14 (c) with its special programme over ten years to help out the Lorraine-Saar-Luxembourg region. I still feel, as do most of my colleagues, that this region should be seen as a single entity across the borders for the purpose of Community law and that it should be dealt with as such by the Commission. Since most of the House has decided otherwise, I shall abstain from voting.

Mrs Gredal (S), *in writing.* — *(DA)* I should like to say on behalf of the Danish Social Democrats that we can basically go along with Mr Wagner's report on combatting the steel crisis in the European Community.

Generally speaking we think that the long-term establishment of a basis for a viable steel sector in the European Community would be in the interests of both the steel-consuming and steel-producing industries. Thus there is a continuing need for reduction of production capacity and restructuring, accompanied by the requisite social and employment measures.

Having said this, however, I should like to stress that the full acceptance by the Danish Social Democrats of a Community steel policy of this kind is subject to the following provisos :

Firstly, the national principles concerning social policy and labour market policy must be fully respected. Secondly, those Member States which have only one single steel works should be given a special priority when the production quotas are allocated and thirdly, that steel works in regions for which the Commission cannot guarantee an acceptable import and export programme should be granted extra quotas on other markets.

Mr Konrad Schön (PPE), *in writing.* — *(DE)* I am in favour of the Wagner report but for the sake of the Lorraine-Saar-Luxembourg region I propose a discussion between my group and Mr Davignon, so that a Community steel policy can be worked out for this region which is split up for historical reasons which are no longer relevant.

Mrs Vayssade (S), *in writing.* — *(FR)* I shall vote against the Wagner report in its new form after the amendments. All the most forward-looking aspects of social, regional and consultation policy have been removed. In particular, Parliament has thrown out the Community action plan for the Lorraine-Saar-Luxembourg region.

Mr Wurtz (COM), in writing. — (FR) The French Members of the Communist and Allies Group will be voting against the Wagner report for one basic reason : the report states that there is no way round continuing the policy of closing down production units and setting quotas. We cannot accept this. This policy is the cause of the unemployment and the deindustrializing process which are having a terrible impact on France and on steel areas such as Lorraine. We are definitely in favour of developing production and skilled labour in this sector, just as we are in favour of exploiting national iron ore resources, especially in Lorraine, so that we can give a boost to development and to the policy of winning back the domestic market which France has been pursuing since 1981.

France needs a strong steel industry. This means that there can be no question of it abandoning its aims to achieve an economic upturn under pressure from the Community and the cartels which have the upper hand nowadays in Europe. The quota system which puts bureaucratic curbs and shackles on French production at the moment could be easily changed as soon as you realize the obvious fact that boosting steel consumption in France is bound to help production and employment prospects in the country.

Lastly, by making the most of nationalization and the new rights they have won, including the shorter working week, the steelworkers have a chance to play a part in management and to speak up for their rights and demands.

We feel that the job of the Community is not to stand in the way of such social progress but instead to encourage it by proposing, for example, that the working week be cut to 35 hours throughout the Community and in every sector, but especially in the steel industry.

SITTING OF FRIDAY, 20 MAY 1983

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IN THE CHAIR : LADY ELLES

*Vice-President**(The sitting was opened at 9 a.m.)*1. *Approval of the Minutes*

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

Are there any comments ?

Mr Welsh (ED). — Madam President, the Minutes show quite clearly that Amendment No 46 to the Wagner report was carried. Unfortunately, the effect of that amendment, which was to delete certain words, has not been recorded in the printed version of the Wagner resolution.

President. — Thank you, Mr Welsh. We will see that that is corrected.

Mr Patterson (ED). — Madam President, my colleague, Mr Howell, who is not here, was afraid that his voice had not been heard during the roll-call vote. I think he would wish it to be recorded that he voted in favour of the Penders resolution.

President. — That has been noted.

(Parliament approved the minutes)

Mr M. Martin (COM). — *(FR)* Madam President, once again — officially because of the timetable — the report on the experimental transport infrastructure programme that I was due to present on behalf of the Committee on Transport could not be discussed at the appointed time. It was on the agenda for the period of the Brussels part-session, but it was postponed until this part-session.

Initially we were told it would be taken on Monday, like the report by our colleague Mr Faure. Then it was put on to Tuesday's agenda ; a further change meant it had to be put off until Thursday, to follow a whole series of questions, and, as a result, it had still not come up for discussion by midnight last night.

So, Madam President, as I am bound by commitments I made when I was reasonably certain that the report would be presented yesterday at the latest and as I have to leave on the 11 o'clock plane — and bearing in mind that many other honorable Members have also had to leave — I should like to ask for the report to be postponed and hope that it can be included on the agenda for the next part-session, on Monday 6 or Tuesday 7 if possible.

President. — Mr Martin, thank you for bringing this point to my notice. Things were delayed yesterday, partly by the fact that we had a statement by Mr Dalsager which, of course, was very important.

Secondly, I must say to Members that there was not one Member who did not exceed his speaking time during the debate, which held up the discussion. So I would point out to Members who complain with some justification that their reports have not been taken that it does depend on their colleagues sticking strictly to their speaking time.

I understand Mr Martin's problem, but may I suggest that he asks a colleague to raise this before his report is presented. Under Rule 87 (1) this request to adjourn a debate to a specific date and time should be made before or during the debate. I understand that this means immediately before or during the debate. This is a matter which is subject to discussion, and I think it is controversial.

I myself, acting as President this morning, will take it that this has been moved by Mr Martin under Rule 87 (1) because it was done before the debate, and as far as I am concerned that is acceptable. But I will ask the Committee on the Rules of Procedure and Petitions to look at this and to provide a guideline for Vice-Presidents. I think it is unsatisfactory at the moment. But I accept your request to move the report to 7 June. Whether it will be put on the agenda on 7 June, of course, I cannot guarantee. But I accept that this is what you have moved.

Mr Curry (ED). — Madam President, on the agenda, I wonder if you could make your best efforts to reach the report in my name on school milk. First of all this recommendation is part of the price proposals, and they have been delayed significantly already.

Secondly, the object is to provide new regulations which will apply for the new school year beginning in the Autumn. If we delay the report further, it will make it administratively very difficult for those people concerned in the Member States to apply new regulations in time for the new school year.

I would be willing, as rapporteur, to sacrifice my speaking time completely. And I would also be willing to appeal to my colleagues in the Committee who wish to speak to abandon their speaking time in order to proceed immediately to a vote and get this thing through.

President. — I have taken note of your point. Mr Curry. And I would ask colleagues in the House to keep to their speaking time.

(Parliament agreed to Mr Martin's request)¹

* * *

¹ Verification of credentials — Documents received — Decision to draw up a report — Motions for Resolutions (Rule 49) — Procedure without report (Rule 99) — Membership of committees and parliamentary delegations : see the Minutes of this sitting.

*Votes*¹*3. Statistics of trade*

President, — The next item is the report (Doc. 1-226/83), by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on

the proposals from the Commission to the Council for

I. a regulation laying down certain measures for the standardization and simplification of statistics of trade between Member States (Doc. 1-1181/82-COM(82) 859 final); and

II. a regulation introducing a specimen declaration form to be used in intra-Community trade (Doc. 1-1190/82 — COM (82) 860 final/2).

Mr Nyborg (DEP), rapporteur. — (DA) Madam President, the Committee on Economic and Monetary Affairs can support the main elements of the Commission's proposal. We note that there are still some loose ends, but these should not prevent the Council from approving it in principle. This approval should take place now and Parliament should not prolong the negotiations, thereby preventing the Council from reaching its decision at the end of the German presidency and, indeed, preferably at the Council meeting on the internal market which, as you know, takes place next week.

I and other members of the committee have had a long series of discussions in different Member States with trade organizations, undertakings and various authorities, which brought to light initially a certain degree of scepticism. However, once the principles and basis for the whole operation had been explained, this was replaced by the feeling that it would be a good idea to go ahead with this kind of simplified document. I therefore have no hesitation in now calling on my colleagues to vote for the Commission's proposal in the amended form proposed by the committee and for Parliament's motion for a resolution.

I shall not go into details on either the proposed amendments to the Commission's draft regulation or the motion for a resolution itself. I shall confine myself to pointing out that the amendments we are proposing to the draft directive are intended to keep small technical details such as the quality of the paper, size and colour etc. from preventing its adoption. We therefore propose that these technical details should be fixed in the proposed committee where the Member States are represented at the level of officials.

In the committee's amendment to Article 1 (1) we are proposing that the regulation should explicitly stipulate that it is not necessary to use the supplementary COMc forms in all circumstances. This possibility should be open provided there is an alternative means of providing adequate information on all points. This will be important particularly for a large number of undertakings where administration is computer-based. During the discussion in committee the Commission's representative stated that it would be more appropriate to deal with this problem as well at the level of the committee of officials. Neither I nor the committee agreed with this, and I shall, therefore, take this opportunity today of asking the Commission's representative — if he is in a position to do so — to say where he stands.

We have taken this position because of the wide range of views on the simplified procedures in the different Member States.

This applies to advanced as well as to other countries. If the decision is left to the Committee of Officials, less technologically developed Member States will be able to block other Member States which are satisfied with a computer list. Since we do not wish this to happen, we insist that it should be made clear in the proposal.

We agree with the Commission that the trade document should be submitted together with the proposal. Therefore we have dealt with it in a report and we hope that agreement will be reached quickly on both proposals. None the less, we have doubts based on our knowledge of statisticians' desire for completeness, not to mention perfectionism. None the less, there is nothing to be gained by insisting on it too much in the present circumstances. If the possibility of reaching agreement on the trade documents stands or falls on the simultaneous introduction of statistics, we will advise the Commission to adopt the trade document now and then gradually obtain the required simplification of statistics. In this context I should like to take this opportunity of warning against the tendency to deny the possibility of gathering information, for example on payment deadlines, which hitherto has not been gathered. That, of course, will not make the form clearer.

I should like to conclude with two remarks. With regard to the compilation of statistical information, I have the impression that everybody complains at having to give the necessary basic information. On the other hand there are some who want to do without statistics, and this applies to individual undertakings, trade organizations and public authorities alike. I should like to wish the Commission, and in particular Commissioner Narjes, who is now present, success with this proposal. I call upon the Council to adopt it next week and hope that the Commission is right in claiming that this form provides the instrument, the so-called lever which, in time, will help us to intro-

¹ See Annex.

Nyborg

duce basic simplification in the paperwork involved in the passage of goods across the Community's internal frontiers. Finally, let me again urge the Commission to continue along this path, so that we can really prove that we all belong to one Community.

(Applause from the centre and the right)

Mr Rogalla (S). — *(DE)* Regarding the Nyborg report, the first question is why the Commission and the relevant economic bodies have only just come up with this idea. In trying to combat small-minded nationalism, we are following the planned route towards closer customs union, and on behalf of the Socialist Group I openly welcome this proposal, even if it has taken until now to submit it. I am also pleased that following the deliberations in the Council of Ministers we have all agreed on the need for haste, for this report was entered on the agenda of this sitting belatedly, to give us a chance to deliver our opinion on it.

I would like to concentrate in particular on paragraph 8 of the report by Mr Nyborg, whom I warmly thank for the work he has put into it, and I too would like to stress that the long-term, or perhaps I could even say the medium or short-term aim, is to free trade between Member States from all formalities relating to the crossing of the Community's internal frontiers. That issue is so important that I would like to draw the attention of every one of you to it again. For we do tend to underestimate the importance of spade-work and details.

Secondly, may I refer to Mr de Ferranti's amendment, which points out, in a new paragraph to be inserted in the motion for a resolution, that the single document would greatly encourage the use of data processing. It is inevitable that the many data we need to guide trade will have to be collected, but they must be collected in the simplest way possible, and it would be silly not to use data processing to that end.

A third important point is the need to find a uniform solution at last for the problem of providing the guarantees and securities required by the various customs administrations where the rules still differ from one another in some Member States, as well as the need to provide for liberal solutions and thereby to support the economy in its activities.

Lastly, may I point out that we are concerned here with details, and it is well-known that detail can be devilish. Furthermore, we urgently ask the Commission to persuade its officials to continue dealing with this and future proposals as rapidly and thoroughly as possible. Subject to these comments, I formally welcome the proposal and say that we will all vote in favour of this report.

Mr Wedekind (EPP). — *(DE)* Madam President, honourable Members, may I begin by thanking Mr Nyborg for his excellent report. We too hope that the

new forms will simplify matters. However, I do not think it is quite certain yet that this will be the result. I fear that the national authorities will continue to insist on their own forms and will try to so arrange matters that they cannot be combined with these new forms, which will lead to a duplication of work, although the report seems to suggest that we can avoid this danger.

I think there is a further extremely important point which deserves consideration. Do we really need this great mass of statistics which is collected everywhere, at national, regional and European level? Is the effort of collecting this data worth it for the individual businessman?

For the rest I can only share the hope that the result will be lower costs and simplification and that we can free the internal market from all administrative difficulties and rulings. But until consumer taxes are harmonized, we will continue to have a lot of red tape. You are quite right, Mr Rogalla, it would be a good thing if the red tape could be removed at the borders. That would be a great success, but surely our final objective must go much further.

Mr Narjes, Member of the Commission. — *(DE)* Madam President, first of all I thank Mr Nyborg and the Committee on Economic and Monetary Affairs most warmly for the excellent report on the single document and above all for the great speed with which the committee dealt with the report. That is a very great help to us. This debate is directly linked to the debate on the internal market of January this year, which was held on the basis of the reports by Mr von Wogau, Mr Rogalla and Mr Welsh.

At the time we considered the basic ideas and principles relating to the introduction of a single administrative document, while today we are concerned with formulating a specimen form. I can only agree with all those who spoke this morning: detail can be devilish, and detail is usually produced in order to overthrow by means of detail that which the Commission, and in particular this House, wanted in principle and for policy reasons.

We realize that a huge amount of statistical detail is unwelcome, while at the same time some details are not available, but also we realize that to change statistical series is apparently one of the most difficult tasks for both national and Community authorities. We have therefore tried to move carefully, not to rush things, to check all protests as to whether they were well-founded and to agree to them if they proved reasonable. We have tried to resolve the conflicting aims of trying to avoid excessive data and complications on the one side and the need for statistical minimum data on the other plausibly, reasonably and objectively.

I hope we succeed, but I cannot hide the fact that a great array of statistical demands actually emanates

Narjes

from economic associations and circles whom one would expect to be interested in reducing the number of statistics and the red tape in order to lower costs — but that is a phenomenon outside the realm of this particular case. Given the far-reaching agreement between the committee and the Commission, I need not go into further detail. But may I repeat my thanks for the rapid and thorough treatment of this matter.

President. — The debate is closed.

*Vote*¹

4. ECU

President. — The next item is the report (Doc. 1-233/83), by Mr De Gucht, on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council (Doc. 1-942/82 — COM(82)697 final) for a regulation amending Regulation (EEC) No 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere.

Mr Nord (L), deputy rapporteur. — (NL) Madam President, Mr De Gucht is unfortunately unable to be present here just now, but he asked me to inform Parliament that he envisages no particular problems on his report. One amendment only to it has been tabled, and the rapporteur accepts it. Mr De Gucht asked me to make this statement to the House on his behalf.

Mr Rogalla (S). — (DE) Madam President, may I emphasize once again how difficult it is to introduce the European currency, on which we are all so keen, on a step by step basis. We already have a great deal of important and time-consuming work to do to oblige the customs authorities to use the European unit of account instead of the national currencies.

That is an important task and a first step towards introducing that currency which all of us sitting here in this Chamber today hope we will live to see introduced as a European currency. We are in favour of the rapporteur's report and of the amendment before us.

Mr Wedekind (EPP). — (DE) Madam President, ladies and gentlemen, we welcome this report. It is necessary for these measures to be implemented. I think it is important to point out why we must do so, and the unfortunate backdrop to this document is that in fact this European Monetary System did not work

from the start, will not work in future and was in principle a mistake. In the short time since we introduced the European Monetary System, we have had seven revaluations and devaluations, and this year we will probably have two or three more, for some of the undisciplined governments who cheat their citizens with currency manipulations and inflation techniques will continue along that road. Harmonization is quite impossible, and in that sense it is indeed necessary for customs rules and the ECU to be adjusted more closely. But the most important factor to emerge here is that the European Monetary System does not work and cannot work, that it has been wrongly designed. That is why, Mr Rogalla, I am extremely pessimistic as regards the European currency. We will not get it this way.

In particular, we will not get it because the national governments and financial and economic bureaucracies will not, for various reasons, especially out of fear of loss of power, give up their right to manipulate the currency in their own country. That is the background to the decision we must take here, in order to adjust customs rules more quickly to the revaluations and devaluations in Europe. That is most regrettable, and in principle it shows that there is no evidence of economic policy harmonization in this Community, that on the contrary economic policies are continuing to grow further apart and that we are on a most dangerous road and that union will take a long time to come.

Mr Narjes, Member of the Commission. — (DE) Madam President, may I begin by warmly thanking Mr De Gucht for his report and very briefly add two remarks. Firstly, the Commission accepts the amendment; it undoubtedly improves our existing proposal. Secondly, to continue the discussion just now between Mr Rogalla and Mr Wedekind, may I too state that customs union as an institution will certainly continue to be weak and have little practical effect as long as we do not have a uniform currency in Europe. That is no reason to dismantle the customs union, but rather a reason to make further efforts to achieve a uniform currency.

President. — The debate is closed.

*Vote*¹

5. Railways

President. — The next item is the report (Doc. 1-254/83) by Mr Gabert, on behalf of the Committee on Transport, on the

proposal for a Council decision on the commercial independence of the railways in the management of their international passenger and luggage traffic (Doc. 1-1185/82 — COM(82) 846 final) and on the commercial policy of the railways.

¹ See Annex.

¹ See Annex.

Mr Gabert (S), rapporteur. — (DE) Madam President, honourable Members, this report is based on a number of documents. It began with Mr Cottrell submitting a motion for a resolution on 30 October 1981 concerning the Swedish experiment, the 'low-price travel' campaign. I have now had talks with the Swedish railways and with those of the Ten, and on 22 December 1982 the President-in-Office of the group of ten railways forwarded a study of this experiment, which was approved by all ten railways.

This study shows that, in spite of the greater number of passengers, the Swedish experiment only escaped financial losses thanks to substantial state aid and that this experiment cannot be applied in the Community. The Community railways are already successfully applying systems of reduced fares for certain groups of persons. That is why the Committee on Transport reached the conclusion that at present there is no point in the European Parliament delivering an opinion on these matters.

Secondly, by letter of 7 May 1982 the Commission forwarded to Parliament the text of a communication to the Council on an action programme for international railway cooperation. The Committee on Transport heard the views of the presidents of the ten Community railway undertakings on this question.

Furthermore, the Commission then forwarded to Parliament the text of a report to the Council on the progress of the Commission's work on international railway cooperation. By letter of 20 December 1982 the Council of Ministers consulted Parliament on the Commission proposal for a Council decision on the commercial independence of the railways in the management of their international passenger and luggage traffic.

On 20 May 1975, in its decision on the improvement of the situation in the railways, the Council already noted, among other things, that the Community railways must have sufficient commercial independence. It also provided that the Community railways must themselves fix their prices in accordance with national and Community rules on transport rates and conditions.

On 19 July 1982 the Council decided that, with regard to the international carriage of goods within the Community, the principle of free rates fixing by the railways must be applied in practice and that the Member States must adopt all the necessary provisions by 1 January 1983. The Council decision on the commercial independence of the railways in international passenger and luggage traffic within the Community is a logical follow-up measure. However, it must also be realized that the problems of the Community railways cannot be resolved merely by granting them commercial independence.

The Commission's efforts to persuade the railways to cooperate deserve full support. All steps in this direction are welcome. That also applies to the action programme of 7 May 1982 which announces a number of measures to improve cooperation between the Community railways, some of which have now been implemented. Parliament should encourage the Commission to continue with the implementation of this programme. The Community railway undertakings are requested to take account of the Commission's proposals and recommendations in this area.

The committee emphasizes that, hand in hand with independence of management, there must be improvements in the railways' financial situation. It believes that the separate accounting which one railway already carries out for its own economic activity and the performance of public service tasks, together with infrastructure provision, should be applied by all the railways in the Community, for that would be a first step towards resolving the question of the charging of transport costs.

Ladies and gentlemen, for these reasons may I ask you to approve this report.

Mr Burke, Member of the Commission. — Madam President, the Commission has noted with satisfaction the general agreement between the different points in the motion for a resolution now submitted to you, which relates to the development of railway cooperation, and, the proposals contained in the Commission documents mentioned in the preamble to this motion.

We are particularly conscious of the commendation of your Committee on Transport in approving our proposal for a decision in its present form. This decision will allow railway companies the same autonomy for their international carriage of passengers as they already have for the carriage of goods by virtue of the Council's decision of 19 July 1982. It is a necessary complement to this latter decision, and is a means of ensuring real cooperation between railways in the field of pricing.

The Commission will continue its efforts, as the resolution now before you asks us, to reinforce this cooperation with the aim of obtaining a substantial improvement in the financial situation of the railways. In particular, the Commission has already started implementing its work programme on cooperation of May 1982. Parliament will shortly be consulted on a series of recommendations from the Council of the railways concerning the marketing of passengers and goods traffic, frontier crossings and technical conditions in goods traffic, combined transport, tariffs, and the creation of an undertaking for international combined transport.

Burke

The Commission will also send to the Council a communication on the general obstacles to cooperation. We are also continuing our works in other fields, mainly on exchanges and training of staff, the definition of the rôle of railways and harmonization of social affairs.

Madam President, I should like to say by way of conclusion that, on paragraphs 8 and 9 of the draft resolution, the Commission, in its document of February of this year, has underlined the need for improving the financial situation of the railways and has suggested that separation of responsibilities for infrastructure and operations between States and undertakings is one of the main targets to be achieved.

President. — The debate is closed.

*Vote*¹

6. *Scientific and technical potential*

President. — The next item is the report (Doc. 1-270/83) by Mr Markopoulos, on behalf of the Committee on Energy and Research, on the

proposal from the Commission to the Council (Doc. 1-1096/82 — COM(82) 808 final) for a decision adopting an experimental Community action to stimulate the efficacy of the European Economic Community's scientific and technical potential.

Mr Markopoulos (S), rapporteur. — (GR) Madam President, it is commonly acknowledged that while the Community possesses a high level of scientific and technical potential in both qualitative and quantitative terms, the efficacy of this potential in our scientific and technological research systems is below par. On the other hand, it is quite clear that, as a single economic whole, the Community cannot achieve either economic or social progress unless it improves its competitiveness at all levels, one of which, and perhaps the most important, is that of manufacturing industry. It stands to reason, though, that the development of the manufacturing sector is the result of that sector's ability to evolve from a continually developing technology, and the maintenance of this continuous technological evolution presupposes the full realization of the abilities currently available within the scientific and technical potential of all the countries in the Community. Despite this, however, it is acknowledged that a large part of this in all ways notable potential remains unexploited, to say the least. At this time we will not go into the reasons that have caused a lag in the development of the relevant structures in many Member States from the standpoint of adapting

to the very rapid evolution of science and technology. However, it could be said that the Community has not so far been able to develop structures of its own that would allow it to absorb directly the results of technological evolution.

The most important factors responsible for the Community's deficiencies in the sectors of research and technology are lack of coordination of the efforts made, and the duplication and secrecy of the various activities. Since there has not been sufficient coordination at Community level up to now, it is understandable that there is a wide dispersal of effort in all the sectors of science and technology, a fact that results from the existence of many nations within the Community.

The existence of several programmes concerned with the same objective and having the same aim results in a squandering of energy and resources and a decimation of effort. With the lack of specific Community structures for the coordination of research efforts, the pluralism of nations preserves and extends the pluralism of independent and uncoordinated research efforts, with the result that Europe's research effort is self-debased and deficient by comparison with its two main competitors, Japan and the United States, which, being characterized by national, political and economic homogeneity, are able to organize and develop centrally oriented and uniformly apportioned efforts in research and development.

For all these reasons the Commission is very rightly proposing experimental measures to stimulate the scientific potential in the Community, aiming to improve the exchange of information and the awareness of scientists, to coordinate the activities of the various laboratories engaged in the same tasks, to achieve results more quickly, and to ensure their immediate development, realization and exploitation. The Commission, and we with our report, are seeking to secure all the means required to allow immediate implementation of the above i.e. an increase in the activity of scientists within the Community, the creation of schemes for the further education of the scientific potential, the rapid information of that potential by exchanges of visits between laboratories, so that, wherever it is deemed necessary, there may be an increase in the concentration of scientists and of effort towards achieving predefined aims. These experimental measures are proposed, in the first instance, for seven particular branches of science, selected because they are currently considered to be spearheads in the field of science but also because they are in need of special support, and because they promise a significant enhancement of the general level of science in the Community.

However, Madam President, let me now express some of my own personal views which the committee unfortunately did not adopt. I do not think that the Community will succeed in developing and exploiting all its potentials unless an effort is made in parallel to

¹ See Annex.

Markopoulos

balance the inequalities existing in the scientific and technological sector between its various Member States. The persistence of those inequalities will continually deepen the gulf between the more and the less well-developed Member States in the Community, and will shake the faith and the hope of the latter that they could ever make headway as an integral part of such a Community.

The less well-developed countries in the Community may be at a lower technological level for a variety of historical reasons, but this does not mean that they do not possess notable scientific potential. The balancing out of inequalities at the technological, scientific and industrial levels between Member States of the Community, both by the transfer of technology and by developing the local potentials in the countries concerned, is essential for the benefit not only of those countries themselves, but also of the Community as a whole. Besides, let me also stress that I believe the Community will not be able to improve the competitiveness of its scientific and technological sectors unless this is combined with the elimination not only of technological, but more generally of social differences and inequalities existing between its various regions. Finally, I believe that no stimulation at all of the scientific potential can be achieved by the measures mentioned earlier, unless appropriate control is exercised by some organ in a position to issue the correct guidelines following a correct and democratically formulated judgement.

By a small majority, the Committee on Energy and Research approved a proposal to set up a committee comprising just five members, who in the end will be drawn from the more highly developed countries in the Community. We feel that this measure implies an elitist view of the way in which these experimental measures should be implemented, it excludes the possibility, but also the right, of at least five countries to share in the taking of decisions, and it offers no guarantee of a proper democratic function in controlling the implementation of the experimental measures.

Madam President, I should like to hope that during today's part-session, when Parliament approves this report, it will correct these points and make it possible for the Council of Ministers and the Commission to refer to a decision which expresses clearly the principles continually propounded by this Parliament.

With these thoughts, Madam President, I propose the adoption of my report, which I submit on behalf of the Committee on Energy and Research.

(Applause)

Mr Purvis (ED). — Madam President, I think that it should be made clear that Mr Markopoulos was

speaking on behalf of his group and not as rapporteur for at least 4 out of the 7 or 8 minutes for which he spoke.

President. — Thank you, Mr Purvis, but Mr Markopoulos, I thought, made a clear statement in the middle of his speech, that he was now giving his personal opinion, so I do not think there was any cause for confusion to the other Members of the House.

Mr Protopapadakis (PPE). — *(GR)* Madam President, the Community includes distinguished scientists and researchers and well-equipped laboratories, and has played an important and path-finding role in the development of the sciences and of technology. Thus, it bears a great responsibility to keep alight the flame it inherited, and to make further progress in research, in parallel with its distinguished partners, the United States of America and Japan.

However, the research sector comprises a number of disturbing features. The creation of a new generation of scientists is not satisfactory. Creativity seems to be declining, and the universities have broken away from the generation of new knowledge, with the result that studies are limited to the acquisition of knowledge by rote. And it is understandable that this is so, since there is little motivation towards research, little spirit of innovation and little sense of the progress of the sciences. The promotion of a Community programme for the stimulation of the Community's scientific potential is thus both praiseworthy and timely. In itself, though, the programme is inadequate. It needs the backing of society at large. In particular, support should be given to young researchers. Their more senior colleagues and the bureaucrats must smooth the path of the young and not place obstacles in their way lest the young become better than they. Personally, I think that is how we behave in Europe, and I believe that what causes young researchers to turn to other parts of the world is not a lack of funds, but the discouragement and neglect they encounter from their seniors who hold permanent appointments in the research sector.

Thus, the Community's programme can help the universities, but can also promote collaboration between laboratories so as to avoid duplication of the same work by several of the latter. Besides, the Community's programme can help in ensuring a balanced distribution of research work between all the Member States. This would lead to the development of scientific potential, even in countries where the limited economic possibilities do not provide the opportunity for good scientists to work in research, but oblige them to turn towards production.

Protopapadakis

For all these reasons, the programmes proposed by the Community should be approved, and I and the political group that I represent will vote in favour. I shall say no more, even though there is still time available, the better to help us get through the agenda, which is quite full today.

Mr Purvis (ED). — Madam President, let me say, first of all, that this group is very favourable to the whole concept of stepping up the efficacy of the Community's scientific and technical potential. It is an essential element in the future competitiveness of our industry.

We do have some doubts about the methods proposed. For example, rather than seminars and conferences, we would really have thought it might be better to concentrate on the mobility of researches, exchanges, scholarships and the like. We have reservations about the system of selection. This Codest Advisory Committee has 21 members, a number dictated, it seems to us, more by considerations of national interest — to have two members per country — than by considerations of scientific interest. In fact, 5 % of the amount proposed is going to go on paying for the expenses of this group to advise the Commission, i.e. 340 000 ECU a year. On top of that there are consultants as well. Could we not get away from such cumbersome bodies? If this were taken up, the staff requirements could also be reduced. There could then be concentration on mobility, cross-fertilization and a much smaller and more compact advisory committee.

Our sternest criticism is directed against the way the Commission has pursued this proposal. Time was very limited, as they admit, to deal with this. Then they tell us, when they have presented it to committee, that they have already agreed all with the Council and that any changes we might make would just upset the whole plan and put it back. Therefore we should avoid doing anything about it. I think and hope that we and the Commission have similar ambitions for the Community as a whole and for Europe's scientific and technological stimulation. If we are prepared this time not to invoke our blocking potential, I hope the Commission will realize that this does not mean that we feel the Commission and the Council have got this scheme as right as it might have been. We will follow it very closely. It will require budget votes and it will require renewal if it is successful. Secondly, it does not mean that the Commission and Council can expect in future that Parliament will follow along like an obedient pet dog. Parliament is now an equal partner in the Community's institutional Troika, in the Community's legislative procedure. The Commission and the Council will be well advised to treat us as such and not take advantage of our goodwill.

Mr Narjes, Member of the Commission. — (DE) May I first thank Mr Markopoulos and the members of the Committee on Energy and Research for the thorough

work they have done in such a short time in examining this proposal for a decision on stimulating the Community's scientific and technical potential. In thanking them, I would also like openly to express my understanding for Mr Purvis' remarks. The procedure followed here was due only to the, as I was told, great urgency of the matter and will remain an exception, for in future the Commission will again continue without restriction to follow the correct sequence of action, even in urgent cases. Our analysis of the situation of research and development in the Community showed that the Commission has not always promptly recognized those areas which have become backward and those where cooperation was necessary. This proposal is designed to bridge that gap.

The proposal is an original one. That is why we thought it should be conceived as an experiment. The stimulation measures will indeed also include measures to promote mobility, but that is not by any means the main purpose. Yet I want to assure Parliament that in all its specific proposals for the implementation of the outline programme, the Commission will see to it that mobility is promoted. In this respect, paragraphs 1 to 3 of the motion for a resolution, and Amendment No 14, create some uncertainty as to the scope of our proposal. As for paragraphs 2, 4, 5 and 8 of the motion, we are in favour. We will urge that the report to be drawn up by independent experts by the end of 1984 includes a chapter examining how far the Commission has actually complied with the relevant provisions.

I can understand that Parliament fears the Commission is taking a bureaucratic attitude in wanting to create a further committee and that this might seem superfluous or awkward. We do not consider this fear justified. You agree with us that the Commission should not increase its staff complement unnecessarily. But that means we must get outside assistance. The Commission, which is solely responsible for the decision, wants to surround itself with the best scientific experts from outside, since the point is to identify, with expert aid, exactly which areas need stimulation and in which areas we must prevent backwardness in relation to the general trend. Here we want to observe two criteria. Firstly, no overlapping with national programmes — that means Codest must include experts who are fully informed of the various national programmes — and secondly, having the chance to evaluate data and information on all the important branches of science.

Although the Commission did not give any figures in its original proposal, we came to the conclusion that we can satisfy both these criteria by appointing about 21 members. High-level scientists from all the Member States will be represented, which will enable us to profit from their experience in the fields of biology, chemistry, mathematics, geology, physical sciences and astronomy.

Narjes

May I also point out to the European Parliament that Article 3 specifically states that Codest is merely a Commission committee and that the Commission has full power of decision, without any Council intervention. Having given these explanations and made these concessions on behalf of the Commission, we now request the European Parliament to adopt the following articles in the version proposed by the Commission :

- Article 1, mainly as worded by us, which is in line with the amendment drafted by the Committee on Energy and Research and makes it possible to extend the field of application of this proposal, which calls for changes to the appropriations, which are at present based only on estimates ;
- Article 2, because of the scale of the field of application of this proposal, which is why we need three members of staff, to which the Committee on Budgets moreover agreed in its opinion of 21 April, and
- Article 3, for the reasons referred to above.

May I make the following comments on Amendments Nos 1 to 9 : Amendments Nos 1, 4, 5, 6 and 7 : agreed Amendment No 3 : unfortunately no, because postponement for a further year would call for another Council decision which could lead to a further postponement, which we do not consider acceptable. Amendment No 2 : no, because the results should be evaluated by independent personalities and not by persons who might be interested in the grant of the awards ; Amendment No 8 : it was we who referred to the committee of 21 ; Amendment No 9 : the proposals come directly from the laboratories, so this proposal need not be accepted. Amendment No 13 did not seem absolutely necessary to us, since the Commission will do the necessary to maintain the closest contact with all scientific circles ; but we do not see any unsurmountable obstacles to accepting this amendment too. As is clear from what I said earlier, I cannot agree to Amendment No 14.

I would like to conclude by repeating my warm thanks to the committee and in particular to the rapporteur for the rapid consideration of this proposal that is so necessary to the overall strategy for developing new policies.

President. — The debate is closed.

*Vote*¹

After the electronic check on the vote on Amendment No 1

Mr Edward Kellett-Bowman (ED) — Madam President, far be it from me to criticize modern technology, because I am a strong advocate of it, but

¹ See Annex.

to judge by the small numbers in the Chamber this morning, it should be possible to count the people, and the machine does seem to be playing tricks on us. Either people are voting differently by the machine from how they show by hand, which is unlikely, or the machine is going wrong.

President. — I can assure Mr Kellett-Bowman that if he sat where I sat, he would be surprised at the way people vote.

(Laughter)

And until I have proof that the electronic machine is not working properly, we must assume that it is working properly. I would rather rely on the machine than on counting, because, I must tell you, Mr Kellett-Bowman, it is extremely difficult for the services to count when, first of all, people move around and do not sit in their place, secondly, people who want to vote do not bother to put up their hands until they have thought of it afterwards and, thirdly, there are even some individuals who change their vote.

(Applause)

So, for these three reasons, I shall rely, until I am told not to by the services, on the machine.

Mr Fergusson (ED). — There is a pronounced lack of confidence at the moment in the voting system, Madam President. What happened just now appeared to be a rise in the electronic show of about 30 votes in the Chamber within 30 seconds. It appears that either 30 people abstained before and decided to vote half a minute later or that the machine has gone wrong. Could we not therefore have a quick check? We could quite easily ask 30 people to vote, 30 people to stand up, or something. You say 'until it has been proved'; well, let us try and prove it!

President. — Mr Fergusson, I'm not sure when you came ...

Mr von der Vring (S). — Order, order!

President. — Would you allow me to finish speaking, Mr von der Vring? Will you please sit down while I am speaking?

Mr Fergusson, I do not know when you came into the Chamber, but we have been taking electronic votes on this item for about the last 10 minutes and they have consistently ranged between 59 and 66, or thereabouts. So, the voting numbers have not changed. As I stated before we took the electronic vote on this particular item, I thought that there was a majority in favour, but because I was not certain and the services could not assure me, we took an electronic vote. I can assure you that when you look at the minutes of this sitting, you will find that the voting pattern on this particular item has been pretty consistent.

Mr Fergusson (ED). — In the last two votes there was a 20-22 vote and then there was a 37-35 vote. That is not within the ...

President. — But there were abstentions.

Mr Fergusson (ED). — What, 30 abstentions?

Mr von der Vring (S). — (DE) Madam President, this is not Mr Fergusson's private affair. Mr Fergusson has not listened to your statement that the voting numbers all lay within the same range and that the problem does not exist. If people begin to doubt the technology every time they are defeated, we will not vote at all today; for then we would be asking for a quorum for every single vote. I would ask the Conservative Members to show enough sense of fairness sometimes to accept voting defeats which are purely fortuitous.

Mr Beazley (ED). — Madam President, I have no reason to doubt the electronic voting. All I would like to point out is that we have always observed that there is a delay between the President saying 'voting has started' and the lights coming on. Now, I am all in favour of the quick way in which you do this. In the last vote actually you gave slightly longer. But we do need just a little bit more time to press the buttons. If you would give us just 60 seconds after our lights have come on! In three of those votes the lights came on and those of us who had our fingers on the buttons got in. Those who did not missed it.

Mr Howell (ED) — Madam President, I think this House is bringing itself into total disrepute, and unless we pull ourselves together and get on with voting instead of squabbling as we are doing now, we do not deserve to be called a Parliament.

(Applause)

So can we actually get on with it and start voting?

President. — Thank you Mr Howell, but we were voting until we were interrupted.

7. Raw materials

President. — The next item is the report (Doc. 1-272/83) by Mr Petronio, on behalf of the Committee on Energy and Research, on the

proposal from the Commission to the Council (Doc. 1-1167/82 — COM (82) 806 final) for a decision amending Decision 82/402/EEC adopting a research and development programme (1982 to 1985) in the raw materials sector.

Mr Petronio (NI), rapporteur. — (IT) Mr President, this report concerns a Commission proposal that aims to modify an earlier research and development programme in the raw materials sector, since the previous research and development programme in the

uranium sector was not entirely completed. This is due to the fact that, because the negotiations were sometimes difficult, many of the contracts were still not signed in 1981 and about half of them were only signed in 1982.

Now, under the terms of the Treaty of Rome, no research and development programme may extend beyond five years. The Commission's proposal, therefore, is to integrate the further work of research and development, and the exploration and extraction of uranium, in the bigger raw materials programme which will only come to an end in 1985. This means, in practice, spending about another 500 000 units of account in this sector, of the 5 million originally appropriated.

It is fair at this point to ask oneself how useful such a further expenditure would be. The sum is certainly quite small, but undoubtedly it is worth completing the projects as planned. A patent has been applied for in this field, and six inventions have been announced. Increasingly sophisticated exploration techniques have to be applied with a view to the future requirements of the Community in this sector. Modern geochemical, geophysical, radiometric and remote sensing techniques have to be used, and new sensors for determining the uranium content *in situ*. The problem is therefore one of new technologies, in order to keep abreast of the times, but it is also one of cost: the new technologies can be costly, but they do make it possible to determine accurately the extent of a deposit, its uranium content, and hence whether its exploitation is an economically viable proposition.

At present Europe — our Community — is in practice dependent on supplies from abroad. Uranium production at present exceeds demand. Its price on the open market is about 20 dollars per kilogram, and certain techniques, for example extraction from seawater, can cost as much as 500 dollars. But we cannot afford to think only of today. We must look ahead to the final decade in this century, and we can even go further. We do not know what the future of the oil market will be. Prices in this sector, in the words of one scientist, are rather like singing and mountaineering: it is easier to go up than down. Nor do we know what military situations may arise in the oil-producing areas. Nor do we know how public opinion will react to the prospect of further nuclear power stations, possibly more powerful ones. The fact remains that, according to the estimates, the Community's uranium requirement in 1990 will be doubled. We must therefore put everything in hand so that all is ready if, at any time, it should be necessary to make ourselves self-sufficient, for whatever reason. Another point in favour of integrating uranium in the raw materials sector is the fact that uranium exploration can also lead to the discovery of other rare minerals which are very important and useful to the

Petronio

Community and its industries, such as copper, molybdenum and vanadium. For this reason, on behalf of the Committee for Energy and Research, we recommend approval of the Commission's proposal for the inclusion of 500 000 units of account in the raw materials programme that is to run until 1985, for we are convinced that every effort must be made in this sector to ensure the self-sufficiency of the European Community.

IN THE CHAIR : MR PFLIMLIN*Vice-President*

Mr Adam (S). — Mr President, the Socialist Group will be supporting the report by Mr Petronio which refers to the variation in the raw materials programme. I would like to congratulate Mr Petronio on the very great patience he showed when we were dealing with this matter in the Committee on Energy and Research. It proved more contentious than the subject matter at first appeared.

I want to distinguish very clearly between the original uranium exploration programme and this proposal. The exploration programme has been successful and adequate reserves of uranium have been located. It is worthwhile noting that none of these have as yet been exploited. Therefore the group takes the view that there is no need for further Community involvement in exploration at this stage. However, the original exploration programme contained provision for work in radiometry and measuring techniques. These have not yet been completed and, as Mr Petronio's report points out, these techniques will be of value with such other metals as copper, molybdenum and vanadium which are important to the overall raw materials programme. For this reason the Socialist Group will support the associated work within the raw materials programme, to the limit of 0.5 million units of account.

Paragraph 5 of the resolution is, in our opinion, outside the scope of the report and we would wish to vote against it when the resolution is put to the vote. I would also point out that the first part of recital B, which talks about the Community becoming self-sufficient in every form of energy-producing material, is simply not possible. There may be some Members who, on that account, would wish to delete that particular indent.

Mr Protopapadakis (PPE). — (GR) Mr President, the search for raw materials is one of the first steps in the development of any country, because it is raw materials that open the road to economic development. If we truly believe in the concept of European unity, we should regard the Community as a single country and all the Member States should offer their raw materials as a dowry to our great homeland, Europe.

For this to happen, however, there must be certain presuppositions. The attitude of the Member States in the Community, particularly the larger ones, should be more Community-oriented than nationalistic. Only then will the Community win the trust of its citizens to the point where they will not raise objections when such a dowry is asked of them.

In such a Community spirit the search for raw materials could be made much easier. Because the task involved is very costly, there is often no guarantee of any return, and any return usually appears after some considerable time. Thus, it is preferable for the burden of this work to be shared between all the Member States rather than for each to try to bear its own burden alone.

As for the search for uranium, I would like to comment that there are some who call themselves peace-loving, as if they had a monopoly on the love for peace, who have put forward the view that the search for uranium should be forbidden. And I ask them : if they want to have nothing to do with nuclear energy for either military or peaceful purposes, then why do they not propose the closure of university departments concerned with nuclear physics and technology, or even the withdrawal of degrees from scientists who have graduated from these ?

However, they do not do this because they know it would be as unreasonable as many of their other declarations, which are ruled more by emotion than by common sense. It is high time for such groups to tidy up their spiritual worlds and tell us just what it is that they want. Do they want progress and freedom ? Then they must accept nuclear energy.

The European People's Party, whose members are also peace-loving, but with the difference that they put common sense above the emotions when defining the political lines they are to pursue, considers that the search for uranium contributes to peace. Nuclear energy leads towards the energy independence of Europe, the relief of poverty and misery, and the protection of freedom, not only for Europe but for the entire free world.

For this reason — without going into details concerning the programme, which in any case have been developed already by other speakers, and also because our time today is rather limited — I stress that we will support the programme proposed in Mr Petronio's resolution.

Mr Purvis (ED). — Mr President, the European Democratic Group supports the Commission's proposals and the Petronio report as being a reasonable way of adapting this uranium programme as it runs down into the raw materials programme. We would, however, like to stress the need to be always on our guard. We may have adequate supplies of uranium at

Purvis

the moment, but we should be looking forward and concentrating at least, as we suggest in the Petronio report, on developing techniques for extracting uranium, so that we will be prepared if ever the need arises in the future and incidentally benefit from the other raw materials and rare metals that could be produced in this way. We will vote for it with one or two minor adjustments mentioned already by Mr Adam in his speech earlier on.

Mr Narjes, Member of the Commission. — (DE) Mr President, this proposal concerns the amendment of a Council decision of 17 May 1983 adopting a research and development programme in the raw materials sector for the period 1982-1985. The proposed amendment provides that, on the expiry of the research and development programme in the field of uranium exploration and extraction, the sub-programme on metals and mineral raw materials, including clay materials for the ceramics industry, should be supplemented by the research subjects of geophysical processes, including radiometry and measurement techniques, with reference to uranium and its decomposition products.

The uranium exploration and extraction research and development programme expired on 31 December 1982 and, pursuant to the Euratom Treaty, cannot be extended beyond five years. This amendment is necessary in order to conclude the current research and development projects in the field of exploration and extraction. At the same time it is aimed at the continuous if limited development and improvement of uranium exploration instruments and techniques.

The Commission accepts the amendment proposed by Parliament to the second paragraph of the single article, which consists of including the sentences: *'These figures are intended only as a guide. The annual appropriations shall be fixed within the framework of the budgetary procedure'*. The Commission asks Parliament to accept its proposal.

President. — The debate is closed.

*Vote*¹*8. Pollution by engines of motor vehicles*

President. — The next item is the report (Doc. 1-82/83) by Mr Collins, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council (Doc. 1-192/82 — (COM(82) 170 final) for a directive amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from positive-ignition engines of motor vehicles.

The rapporteur has informed me that he has nothing to add to his report.

Mr Wedekind (EPP). — (DE) Mr President, ladies and gentlemen, I do not want to take up too much of your time either. We welcome this document and we welcome the attempt being made with these proposed measures to keep the air cleaner. However, we also consider it extremely important that the changes to be introduced as regards time limits be adhered to in future. For it is not just a question of technical adjustments but of matters which have a very strong impact on the economic process.

This is the point where I would really like to begin my criticism of the report. We are concerned with positive-ignition engines but are totally disregarding diesel engines.

With the rise in the cost of petrol motors, even more people may shift to diesel, which will counteract the attempt to keep the air cleaner and bring exactly the opposite result.

These measures will also mean that the petrol consumption of the motors manufactured in accordance with this directive will increase by about 5%. This will entail an additional financial burden and environmental burden, i.e. two counterforces will come into play.

We will have to pay 3% more for our motor vehicles if this is accepted, for that is the cost of this technical progress. All this merits consideration, but nevertheless we do welcome this directive. Let me say again, in criticism, it is a question here of petrol-run land vehicles, and not of any other motor vehicles such as aircraft. A single large jet consumes as much fuel and pollutes the air as much as 16 000 motor vehicles. There have been no new developments in this area and progress here would be welcome.

Mr Tyrrell (ED), draftsman of the opinion of the Legal Affairs Committee. — Mr President, this is, as Mr Wedekind has said an important directive, important because it deals both with the health and with the pocket of every Community resident. It is likely to increase the cost of fuel for motoring by 5% and the cost of manufacture of motor cars by 3%. So it is a matter which needs a careful balance. It is a matter with political implications. Now the Committee on the Environment, Public Health and Consumer Protection, having looked at the merits of this proposal, has come down in favour of it. The Legal Affairs Committee has no view on that. But there are matters which did concern the Legal Affairs Committee and gave us very considerable anxiety about this directive. It raises two issues of important principle, quite apart from the merits of the case.

¹ See Annex.

Tyrrell

I can deal with the first point rather quickly, because we have dealt with it on a number of occasions in this Parliament during the last two years. It is that the Commission proposal makes Community legislation quite unnecessarily complicated. In order to see what the law would be once this proposal became law — if it became law in its present form — the unfortunate Community citizen wanting to ascertain the facts would have to search through four Council directives, two Commission directives and the Treaty of Accession. Now if the Commission is indeed producing a proposal which changes the law and repealing parts of previous directives, it should repeal them all at the same time and replace them with one single piece of legislation which everyone will be able to understand. Having said that, I should go on to say that this is the gist of Amendment No 1, first suggested in the Legal Affairs Committee's opinion and now adopted by the Committee on the Environment, Public Health and Consumer Protection as an amendment in the name of the latter committee. Before I come to the other amendments, I would draw the attention of the House to the fact that the report by Mr Collins, which sets out the three amendments of the Committee on the Environment, is subject to a corrigendum on a separate piece of paper. That corrigendum now contains the three amendments of the Committee on the Environment, which has adopted the three amendments of the Legal Affairs Committee.

Now the other point is this: as I have already indicated, this directive raises matters of principle and they are political principles. The Commission, under the existing legislation, is itself entitled to decide *ex cathedra* on its own, having taken the advice of an advisory committee, that it wishes to change the technical rules relating to emission of gases by motor cars that is to say, it can make these changes by legislation on its own under a framework directive of long ago.

Now in this case the change is fairly modest. But, of course, what they might have done is to come forward with legislation saying: we are going to double the cost of petrol and we are going to double the cost of the manufacture of motor cars. These are not decisions which should be left only to the Commission; the Commission should consult. Now at present they are under an obligation to consult with an advisory committee made up of representatives of the Member States, but we do not see the agendas for those meetings; we do not see the minutes of the meetings and nothing is published about the advice they have been given. So the Legal Affairs Committee thought that Parliament should be brought into this and Parliament also should be consulted when matters of principle arise. That accounts for Amendments Nos 2 and 3 of the Committee on the Environment.

The Legal Affairs Committee was concerned to see that first of all there should be no delay caused by the

consultation of Parliament and, second, it was anxious to see that Parliament was not concerned with the technicalities involved but only with the principles. We believe that the amendments which we have put down achieve that and we hope that the Commission will regard this as an attempt to help them in discharging the difficult task they have and to introduce an element of democratic involvement into what are, when all is said and done, important political decisions which affect every member of the Community.

Mr Moreland (ED). — Mr President, my job is made somewhat easier for the simple reason that Mr Wedekind and Mr Tyrrell made the basic points that I wish to make. But I am somewhat surprised that the rapporteur is not here to put the case of the committee, because both Mr Wedekind and Mr Tyrrell have raised important points. Indeed, Mr Wedekind's point, which I think is particularly important because it highlights the fact that this proposal will increase energy costs and driving costs, is not mentioned in the resolution from the committee. Indeed what appalls me is that in this report there is no opinion from the Committee on Energy and Research. If costs are going to go up as a result of this proposal, then it is something that we should have considered in more depth.

Equally, Mr Tyrrell raises an important point which this Parliament will have to consider further, because it raises the whole question of delegated legislation and the procedures of this Parliament in controlling delegated legislation. What Mr Tyrrell is doing here — and I have a lot of sympathy with him — is setting a precedent for the future in putting forward a clause by which this Parliament can control legislation that has been in effect delegated to bureaucrats to carry out. If we are going to have changes to this directive in the future, which again increase energy costs, they should not be dealt with by bureaucrats, they should be dealt with by all the Community institutions.

So I hope Parliament will bear this in mind. I am particularly disappointed that the Chairman of the Committee on the Environment, Public Health and Consumer Protection does not seem to wish to be here to put forward this report which I feel is more controversial than he possibly believes.

Mr Narjes, Member of the Commission. — (DE) The Commission would like to begin by thanking the rapporteur and the Committee on the Environment, Public Health and Consumer Protection, together with the other committees asked for their opinion, for the work they have done on what is not, as the debate has shown, a very easy subject, and especially for the fact that his work was concluded so promptly that the measures proposed by the Commission will be able to come into force more or less on the planned dates.

Narjes

That is very important since it will bring about a reduction of environmental pollution from motor vehicle exhaust gases, in line with technical progress, between 1985 and about the end of the decade. It is also important because it creates a phase of technical stability in the motor vehicle industry for such development projects, which the industry will be able to use in order to develop new ideas in subsequent years.

The adoption of this directive will therefore create an appropriate point of departure for the implementation of the Commission's measures, in the framework of its global strategy which aims at a review of the Community rules as a whole in this sector, while also taking account of essential components such as safety, environmental protection and energy saving, and of their links with the economic and social situation of the industry in question.

I must now discuss several points touched on in the motion for a resolution and which go even further. The first is the question to what extent limiting gaseous emissions from heavy commercial vehicles is necessary and technically and economically feasible; the Commission is currently examining this question in the framework of the global strategy I mentioned just now. Like the committee responsible, the Commission too has long thought that regular technical checks of vehicles in use, as a measure accompanying the legal limitation of the emission of pollutants by commercial vehicles, will make an important contribution to the protection of public health and the environment. Unfortunately the Council of Ministers has taken private vehicles and light commercial vehicles, which together make up the majority of urban traffic, out of the scope of Directive 77143, contrary to a Commission proposal. But in the near future the Commission will once again submit appropriate proposals, for technical checks on these categories of vehicle, in the framework of its priority programme on the common transport policy.

On principle, the Commission considers control of the effects the measures under the Community exhaust directives will have on the actual pollution by the pollutants in question highly desirable. Experience to date warns us, however, that difficulties can crop up, especially if we think of the problem of establishing uniform EEC measurement procedures to identify the actual share of motor vehicle exhaust gases in overall air pollution.

The Commission is taking an active part in the scientific discussions in interested circles, including technical circles. It intends to report to Parliament at the appropriate time on the progress of these scientific and technical discussions.

However, it thinks these reports will only be interim reports, because, as far as can be seen today, the scientific and technical discussions will not be concluded until 31. 12. 1983.

As for the two amendments by the Committee on the Environment, Public Health and Consumer Protection, I may say on the first amendment relating to the title that the Commission adopted it immediately and has already asked the Council to take over in its documents the amended title recommended by Parliament.

The proposal to suspend the original directive, including its amending directives, and replace it by this directive is not feasible — and here I would like to come back to Mr Tyrrell's remark. The authors of this amendment overlooked the fact that the technical provisions of this directive must remain in force in order to make it possible actually to check the conformity of further vehicles produced with the types which have been approved under the current provisions.

As regards the second amendment, designed to involve Parliament in the procedure to adapt the Community provisions to technical progress, the Commission unfortunately sees far more drawbacks than advantages in the procedure suggested by the committee. I am well aware that it was the intention of Mr Tyrrell and the Legal Affairs Committee to assist the Commission in its task. But on closer examination of all its implications, we have found that this would considerably complicate and aggravate the situation.

May I say quite generally that in view of the increasingly rapid technical progress and increasingly short lifespan of products — in technology-intensive areas the mass of products on the market is less than five years old — procedures such as those proposed here, which might take a total of 9 or 12 months, cannot be regarded as a helpful instrument, from the point of view of technical development, to attain the aims of the directive.

Nor do I think this is a matter of legislation. That is a mistake. It is a question of the implementation of legislation and laws decided on by Parliament in individual cases by means of technical measures — which means, in fact, 40 to 50 a year. The evaluation of these technical measures needs a great deal of expertise and the processing of a large quantity of technical and scientific material which, we are convinced, can certainly not be dealt with, shall we say expertly, in any parliament in the world. I think here Mr Tyrrell shares our view that such activities should be kept away from Parliament. But that does not mean that delays of up to 9 months or more might not occur, and in my view delay, in this form, would not be helpful.

May I also point out — and this also relates to political matters — that the adoption of such a procedure would not help us in our stubborn attempts to wrest a more flexible and practical interpretation of Article 155(4) from the Council, with the agreement of this

Narjes

House, but would only give those who do not want it a pretext for saying that we do not need any speeding up, since it is precisely here that we have accepted a delay of 9 to 12 months.

It is specifically in the motor vehicle sector, where all the technical requirements have already been met by the introduction of Community standards, that it has proved so necessary to allow for flexible adjustment to the very rapid technological change and that the solutions tried in the past twelve years have proved particularly successful. So I would be most grateful if this House could consider this aspect in depth again, not only in terms of motor vehicles but also because of its basic implications. For this proposal would not represent a step forward but, we are convinced, a real step backwards.

At the same time the Commission naturally has sympathy for the desire for adequate, more practical information and would be prepared, in order to facilitate Parliament's political supervision of the Commission, to supply it in the near future with as much practical material as usual, as often as possible, so that Parliament can exercise even more intensive political supervision of the Commission on the basis of the results of the reports.

A final point must be borne in mind here. The basic standards, whose implementation is being discussed in detail here, will in any case have to be changed every four or five years, so that from this point of view too Parliament will have to decide every four or five years whether to continue to give the past authorization, to adjust it and expand it and then, as legislator, provide the executive with appropriate guidelines for its decisions for the subsequent period. That would be our plea as regards this proposal, and I would be pleased if this House would take this aspect into consideration.

President. — The debate is closed.

*Vote*¹

After the vote on the proposal for a directive

Mr Tyrrell (ED), draftsman of an opinion for the Legal Affairs Committee. — Mr President, we have heard what the Commissioner said about the amendments in advance, but under Rule 36 I would like to ask him to state the Commission's position specifically for this purpose. I appreciate that I am not the rapporteur for the committee responsible under Rule 36, but the rapporteur and chairman of that committee are not present, so I make the request as rapporteur for the Legal Affairs Committee. Alternatively, I make it under Rule 85.

I ask the Commission to state its position before we vote on the motion for a resolution.

Mr Narjes, Member of the Commission. — (DE) I did not understand the honourable Member. Does his question refer to Amendment No 2?

Mr Tyrrell (ED), draftsman of an opinion for the Legal Affairs Committee. — Amendments Nos 2 and 3.

Mr Narjes, Member of the Commission. — (DE) I can only say no to both questions.

Mr Tyrrell (ED), draftsman of an opinion for the Legal Affairs Committee. — Then, Mr President, I ask that the matter be referred to committee under Rule 36 (2) so that discussions with the Commission can continue to see whether an acceptable form for these amendments can be found before we vote on the motion for a resolution.

(Parliament agreed to Mr Tyrrell's request)

9. Rules on food aid

President. — The next item is the proposal (Doc. 1-60/83 — COM (83) 83) from the Commission to the Council for:

a Regulation laying down implementing rules on food aid management.

Mr Bersani (PPE). — (IT) Mr President, ladies and gentlemen, a question is again being put to us that has already given rise to much controversy between the European Parliament and the other Institutions. Following the vote of our Assembly on the urgent request presented by the Council, the Committee on Development and Cooperation held a special meeting on Tuesday, here in Strasbourg, to define its own position.

I will give you the results of our meeting on Tuesday, but first of all I think I should briefly summarize the basic problem with which we are faced. Our committee had decided, in March of this year, not to continue consultation on these two implementing rules until political agreement was reached between Parliament and Council on the controversial points of the decision of the Council on 3 December 1982.

There are basically two controversial points: on the one hand, the fact that the Council has unilaterally defined the coordination procedure, whereas there were still repeated fundamental differences with our Parliament. On the other, the consequences of applying the Regulation, as defined by the Council, affect the budgetary powers of the European Parliament, especially in relation to the agreement that was inherent in the joint declaration of 30 June 1982.

¹ See Annex.

Bersani

On this last point, some further clarification is necessary. According to the joint declaration, expenditure in relation to food aid is classified as non-compulsory expenditure, except for that part of the aid in cereals deriving directly from the international agreement on cereals. Since it is non-compulsory expenditure, the European Parliament therefore has the last word on these credits: in particular, as concerns the definition of the quantities of products to be used for food aid. Now, in the regulations set down by the Council of Ministers on 3 December 1982, Article 4 says that the Council decides the overall quantities, both annual and long-term, for individual products. This would mean, ladies and gentlemen, that the Council is taking a step backward with regard to the classification of expenditure as defined on the basis of the agreement of 30 June 1982, a subject on which our Parliament is particularly sensitive and watchful.

The Council's Regulation furthermore reopens the question of the powers of the Management Committees; this is another very delicate question on which there is a difference of views between us and the other Institutions. For all these reasons, our committee had suspended the preparation of a draft report to be put before the Assembly. The other Institutions were duly notified of this circumstance. Other committees, and in particular the Committee on Budgets, which is competent to give an opinion, had adopted a similar attitude. According to the opinion of the Committee on Development and Cooperation, which was re-emphasized at the meeting on Tuesday, our attitude still remains unchanged today. Before communicating our opinion on certain implementing rules in a framework Regulation that was disputed and, in our view, widely open to dispute, the European Parliament must obtain precise guarantees from the Council, either through a re-opening of the coordination procedure, or by means of other procedures.

There has recently been contact between the President of our Parliament and the President of the Council, here in Strasbourg, in an attempt — as I have said — to find a satisfactory solution, even through other procedures; to date, however, that has not proved possible.

The guarantees that we ask for, are, first of all, adherence to the coordination procedure; and then, respecting the joint declaration of 30 June 1982 and, in particular, the budgetary powers that derive from it and concern special powers of our Parliament, the certainty that the Council cannot unilaterally take a decision on this subject.

Once we have obtained these guarantees, the Committee on Development will undoubtedly

proceed very quickly to prepare its report, and thus make it possible for Parliament to define its position.

There is a problem, and we are aware of it, namely, the urgent need to define a situation, and so avoid blocking any kind of measure and thereby causing a reduction in aid in such an important sector. But whilst we are aware of this, it is also true that we cannot change our attitude, which would mean the acceptance of such serious violations of our rights.

The Committee on Development and Cooperation remains convinced that agreement can be reached between Council and Parliament, and in quite a short time — before the next session in June. Is there still any hope that the dialogue that has been thus opened might lead to some developments, over the next few days? We hope so, but, until there has been full clarification of questions that remain fundamental for us, it is obvious that we cannot go any further.

For these reasons, Mr President, on behalf of the Committee for Development and Cooperation, I request, pursuant to Rule 85 (1), that the proposal be referred back to committee.

(Parliament approved Mr Bersani's request)

10. Unctad

President. — The next item is the report (Doc. 1-255/83) by Mr Cohen, on behalf of the Committee on Development and Cooperation, on the Sixth United Nations Conference on Trade and Development (Unctad) (Belgrade, 6 June — 1 July 1983).

Also included in the debate is the following oral question with debate (Doc. 1-320/83) by Mrs Focke and others to the Commission:

Subject: The 1983 report of the Brandt Commission

At the beginning of this year, the Independent Commission on International Development Issues, headed by Willy Brandt, prompted by the persistent deterioration in the world economic situation and the continuing absence of cooperation at world level, revised certain proposals put forward three years ago and published a new memorandum:

Common crisis, North-South: cooperation for world recovery. The International Monetary Fund and the World Bank have already responded with a special action programme, announced on 23 February, which takes up some of the ideas contained in the memorandum.

1. Does the Commission of the European Communities, one of whose Members is also a member of the Brandt Commission, intend to take steps in the near future to build on and implement the proposals put forward in this document?

President

2. Does it not consider the Williamsburg summit, the meeting of the Council of Ministers in Stuttgart and the 6th Unctad conference are absolutely vital occasions at which the Community needs to have agreed on a common approach to North-South relations, capable of acting as a stimulus and an example to others, taking account of the role it plays in the international economic system and the special nature of its relations with 63 African, Caribbean and Pacific States and with numerous non-associated developing countries?
3. Does the Commission not take the view that the European Economic Community could sponsor a new North-South dialogue, which, avoiding a repetition of the errors made in Cancun, would lay the policy foundations for a thoroughgoing reform of the IMF and the General Agreements to borrow, the reopening of global negotiations, the establishment of an energy agency and the achievement of secure food supplies?

Mr Cohen (S), rapporteur. — (NL) Mr President, many attempts have been made since the last Unctad meeting in Manila in 1979 to continue the dialogue between our industrialized world and the developing countries, the last conference being in Cancun, which we have also discussed in this House. That attempt was largely unsuccessful, and for the first time since Manila we now have the chance in Belgrade this June, at the Sixth conference, to prove that we take seriously the interdependence of the problems facing developing countries and our countries for our own industry and our compassion with the lot of the poor in the Third World.

Lipservice is often paid to interdependence, but the consequences of it are not always accepted. Belgrade offers us the opportunity of proving what we say. Belgrade, and I return to the theme of interdependence, does not stand in isolation. It is one of a series of international meetings on our problems and those of the Third World, and Williamsburg and Stuttgart will obviously, at least we think obviously, discuss the problems of the developing countries. And so I must welcome the Commission's proposal to include a reference to the importance of Belgrade in the final declaration of Williamsburg.

Looking farther into the future and the conclusions of Belgrade itself, we can only hope that Unctad VI will form the basis of the necessary overall North-South negotiations. The agenda for Belgrade is limited to a number of specific points on which it is hoped agreement will be reached, even before the start of the overall negotiations. There are basically three areas of important problems, international trade and trade in raw materials, financial and monetary developing countries' debts, and the position of the poorest developing countries.

All these issues will be discussed in Belgrade without any real decisions expected on them. Unctad is not a negotiating body — at least we in the industrialized countries have never wanted it to be — but it is an organization which prepares decisions to be taken elsewhere, where promises may be made, where vague agreements may be reached, and where, we hope, the right climate will be created, thus enabling the important decisions to be taken elsewhere, whether in Geneva, New York or Washington. This climate is extremely important so that the necessary decisions can be taken soon after Belgrade, whether in Geneva, Washington, London, New York or elsewhere.

My expectations, as rapporteur of the Committee on Development and Cooperation, of the results of this conference are set out in the motion for a resolution we shall vote on at the close of this debate. The motion is deliberately limited to three areas we expect to be discussed in Belgrade, in other words, international trade in basic commodities, financial aid and indebtedness and the poorest countries. I do not wish at this late hour to develop in detail these important points. We state again that our markets are open to products from developing countries, that we are prepared to respond positively to the developing countries' wishes on concluding agreements on raw materials, that those Member States which have not yet done so are prepared to ratify the so-called Common Fund, and that we will explore new avenues with the basic commodities, especially at a time when prices of raw materials are lower than at any time in the past fifty years. Low prices hamper the industrialization and development of most developing countries, which acts against both those countries and ourselves, for those markets in the developing countries become an even more important outlet for our own industry. One third of our industrial production is exported to developing countries, as is the case in the United States, and 50 % of Japan's industrial production is exported to developing countries.

That is why interdependence, which everyone is talking about, is a reality, and because it concerns our mutual interests we must reach agreement on decisions to be taken in Unctad, whether in Belgrade or not. And the same holds good for financial problems. We must urge an increase in the International Monetary Fund's quota and an agreement on extending special drawing rights, with the poorest developing countries gaining greatest benefit.

We must urge a settlement of these financial problems, and as regards the poorest countries, what we all agreed on in Paris must be put into practice.

I hope, Mr President, that this motion for a resolution will be carried. Only a few amendments have been tabled, and they are not very important. I trust that in its vote this House will show it realises that what

Cohen

happens in Belgrade is important not only for the developing countries but also for ourselves.

Mrs Focke (S). — *(DE)* Mr President, ladies and gentlemen, the oral question with debate which I tabled together with my colleagues from the Socialist Group on the second report of the North/South Committee under the title 'Common crisis' is designed to link up the report just submitted by Mr Cohen and his motion for a resolution on the Unctad Conference with this Parliament's endeavours to achieve progress in the North/South dialogue and to set in motion global negotiations.

May I point out that as early as autumn 1980 the European Parliament sent a delegation to New York on the occasion of special United Nations talks to fix an agenda and a procedure for global negotiations. May I point out that we in the European Parliament have repeatedly given impetus to the revival of the North-South dialogue and have called on the Commission and the Council to submit constructive proposals on this matter and on the implementation of the Brandt report, both before and after Cancun. In returning to this subject again, I am fully aware of the fact that the primary aim of this Sixth Unctad Conference in Belgrade must be to make the greatest and most practical progress possible in the matters to be negotiated there. Unctad VI is the only major North/South Conference this year; so everything depends on our making progress again, improving the climate and giving an impetus for overcoming the stagnation of the North/South dialogue.

Mr Cohen's motion for a resolution contains good and practical proposals which are very closely in line with the second Brandt report. I thank Mr Cohen for his work and hope Parliament will support his report by a broad majority. Above all I hope the Commission will take this into account in its proposal to the Council regarding Belgrade and that the Council will comply with the request made in this resolution. I hope the Community will take a constructive attitude in Belgrade and attempt, together with the other industrialized countries, to satisfy the wishes of the 77. But I stress the words also found in an amendment tabled by Mr Cohen and the Socialist Group, 'if necessary, alone'. Yet even if the Commission and the Council follow our initiatives and proposals and the appropriate consultations take place in Belgrade, important questions remain unanswered, which have now been taken up again by the North/South Commission in its second immediate programme, in particular nutrition, energy and improving the North/South negotiation procedure in general.

It is also important not to lose sight of the medium-term aim of conducting global negotiations, which is the only way of creating an overall framework for all

the problems at stake with the participation of all the states and in cooperation with all the responsible international organizations. Until 1981 the Community endeavoured to formulate constructive proposals on this matter with special reference in fact to such questions as nutrition and energy, which we warmly welcomed.

Nothing has happened since Cancun. And incidentally, to date we have heard very little about the preparations for Belgrade. So I ask the Commission to understand why we are pressing it on these questions, both as regards the Unctad VI Conference and also as regards the North/South Commission's immediate programme and the global negotiations. What proposals will it be able to put forward for Belgrade, to ensure that the Community adopts a position in line with our responsibility and one that could also impel our more hesitant partners in the industrialized countries to action? How much of what is stated in the Brandt Commission's second report will it include? What topics should, in its view, be discussed and voted on at the Williamsburg summit of the Seven to ensure that progress can be made in Belgrade? At the next meeting of the European Council in June, will it take the opportunity once again to tackle the entire subject of North/South relations and of the European Community's role? What ideas has it formulated, going beyond Belgrade now but also with the help of Belgrade, to improve North/South relations and the North/South negotiation procedure? What are its views on the recourse to further North/South summits if they prove necessary, at the appropriate time and in the appropriate form? What sort of path does it think must be followed now to achieve global negotiations? And not least, what connection does it see between Unctad VI, the second Brandt Commission report and the negotiations for a new convention after Lomé II, which are due to begin in autumn this year?

Mr Commissioner, I would be grateful for a reply to these questions and in particular, of course I would be grateful if after our discussion and decision the Commission carries on the work and ensures, in a practical and progressive manner, that the Community plays its part in full as a community of peace in the North-South proceedings.

Mr Deschamps (PPE). — *(FR)* Mr President, honourable Members, the part of our sitting that we are devoting to this important and timely discussion is, as I have been deploring for the past 10 years, that to which we usually consign anything to do with development. I hope that this is not just another sign of the importance which Parliament accords these problems.

I say the debate is an important one because the European Parliament will be represented in Belgrade by a large delegation which will have the opportunity to

Deschamps

follow the discussions from start to finish. Consequently, it is important for this Parliament to tell the delegation what it thinks and to let it know about its positions on the fundamental items on the agenda — as Mr Cohen expressed them just now.

Belgrade is the only conference today that will combine the countries of the north and the south in a search for common ways of emerging from the world crisis that affects us all and that we can only be rid of — let us be quite clear about this — through a concerted effort. And in this crisis-ridden world, what is the essential role of Unctad VI?

I think it has to achieve joint approaches, which, as we in the EPP group see it, should be of three kinds.

First, we have to maintain and even boost open trade relations between the countries involved. This conference should stress to what extent access to markets is something of mutual interest. As things stand, there is a strong temptation to look to protectionism and Unctad has to convince its members of the illusory and precarious nature of such a solution both in relations between the industrialized countries, in relations between industrialized and developing countries and in relations between the developing countries themselves. Cutting oneself off and creating artificial protection are only palliatives that will compromise, once and for all, a situation in which everyone will ultimately be the loser.

The second thing this conference should do is strengthen the role and the importance of international organizations such as the International Monetary Fund and the World Bank. Why? There are two reasons. First, because we think these organizations are the most suitable when it comes to stimulating the sort of international economic recovery that is profitable to us all and, second, because we think that these organizations, and the International Monetary Fund in particular, have an essential role to play if we want to solve the problems generated by the external debt hampering most of the developing countries.

I am well aware that, in the developing countries, and in some of our countries as well, the International Monetary Fund is criticized for its rigour and for the discipline it imposes upon those it helps. Yet we are convinced that, without this discipline and this rigour, there can be no salvation.

The third thing we want to see emerge from the conference is a strong invitation to its industrial members to move nearer to the target of 0.7 % of GNP as official aid to the developing countries and encouragement to get them to bring aid to all the least developed countries up to 0.15 % as has already been decided.

These two aims should be strongly emphasized by Unctad.

Unctad, as Mr Cohen said just now, is not an implementing body and its aim at Belgrade will be, as it has been in the past, to give practical shape to these guidelines, to share out the tasks and to apply them via specific bodies, most of which already exist.

The role of the European Parliament in all this will be to ensure that this is what really happens at Belgrade, and afterwards — and we have failed a little here — to guide the achievement of these objectives and monitor progress on a constant basis.

Honorable Members, I was rereading what I said about Unctad IV on 11 October 1976 and I am rather sorry to see that most of the problems I asked Unctad to work on and Parliament to monitor at that stage are on the agenda of this meeting in Belgrade again now.

I hope that will not happen again in the future.

We in the EPP group will be voting for Mr Cohen's fine report. We shall vote for the text as it was adopted by the Committee. That is to say we shall not support most of the amendments that have been tabled and we hope that the text as it has been distributed to you will get a very large majority in this House.

Mr C. Jackson (ED). — Mr President, I would like to start, on behalf of my group, by thanking Mr Cohen for his report, with the essence of which my group is in total agreement. He referred to the interdependence between the European Community and the developing countries, and in this he is, of course, absolutely right. We export 120 billion dollars worth of goods to developing countries each year. That is 40 % of the European Community's exports; you could not have a much better illustration of interdependence than that. Of our imports of raw materials, of primary products, 60 % comes from the developing countries. The European Community is the biggest single player on the world scene so far as trade is concerned. We have half as much trade again as the United States. Interdependence is absolutely real. Trade is a mutual interest for us and for the developing countries. That is why I am so pleased that the Commission itself is representing the Community as such at Unctad. We shall be speaking with one voice, and it must be a voice that is constructive and helpful to developing countries.

I hope we shall also use our influence to keep discussion at a very practical level. As the previous speaker said, talking about ways of opening markets, ways of resisting the creeping protectionism that is such a danger to the world, ways of stabilizing raw material prices, ways of increasing finance, as Mr Cohen said, so that trade can increase. I will not dwell on these points because they have been covered very adequately by Mr Cohen in his extremely comprehensive report.

G. Jackson

I hope the opportunity will also be taken to emphasize the importance of the policies of the developing countries themselves. We sometimes speak as though developing countries were frail vessels at the mercy of a worldwide economic storm. To an extent that is true, but they are vessels with sails and rudders and the direction taken by their governments is in the end of dominant importance for them. Some of them, I believe, should consider taking another tack. The World Bank has said often enough that export-led development has for many countries, especially those on the brink of economic take-off, important advantages over a severely protectionist import-substitution policy.

Finally, I will just mention a trade that we should seek to diminish — namely, the arms trade. To anyone studying the expenditure of developing countries, the importance of peace and stability is immediately apparent. We emphasize the problems that developing countries have with balance of payments. These problems are only too real; they are problems with financing development. We then see that some of them use large proportions of their precious annual income on military expenditure. I will quote just a few examples: Zambia devotes 9.5 % of its GNP to military expenditure; the Yemen, 12 %; Mauritania, 14 %. These issues of peace and stability and reduction of military expenditure are extremely important. I believe the European Community has a role to play in this that it perhaps has not yet sufficiently developed, a role to play in encouraging greater stability in these countries so that more finance can be made available for normal commercial trade and the proper development which they need so much.

Mr Wurtz (COM). — (FR) Mr President, the Unctad VI negotiations are taking place in a climate of international recession, a financial and economic crisis which is seriously affecting everyone involved. The austerity policies of some of the industrialized countries have a direct consequence on the developing countries, as is manifested, in particular, by the stagnation or regression of exports of commodities, by the closing of parts of the developing countries' markets and by a reduction in official aid. Unctad estimates suggest that the overall loss in export earnings, most of which is due to the slump in commodity prices, was \$ 21 000 000 000 over the 1980-1982 period. Undeniably, changes to the austerity policies of most of the industrialized countries and a relaunching of the economy would both meet our peoples' expectations and bring positive changes in the developing countries. He who helps the developing countries helps himself. This is something that is truer today than ever it was. So certain practical measures could be taken with this in mind.

First of all, the global volume of official development aid could be increased, as the Commission is in fact requesting. Second, within the Community, the aid we give to the ACP group could be increased to 1/1000 of the GNP of the Member States. Third, by taking up a position, we can get the USA to respect its financial commitments. It had in fact undertaken to give \$ 3 240 000 000 as IDA over a three-year period, but only \$ 1 200 000 000 has been paid over so far. Fourth, we think that the Williamsburg summit due to take place in a few days' time is the moment to call for a reform of the international monetary system — as Mr Mitterrand has in fact proposed. This new system should provide the possibility of intervening on the exchange market. Fifth, we are calling for the democratization of the financial institutions, that is to say proper participation by the developing countries in the management of these bodies. Sixth, we think a moratorium should be envisaged for the poorest countries or perhaps their debts should be written off entirely. Seventh and last, we propose that there be a real drive to set up stocks that will regulate the prices of commodities and the common fund. But although the Commission repeats the Community's attachment to the integrated programmes, it alas remains vague as far as these needs are concerned. We shall vote for the Cohen report, although it is not exactly what we hoped, it does constitute a step in the right direction.

Mr Sablé (L). — (FR) Mr President, Mr Commissioner, ladies and gentlemen, it is important for our Parliament to adopt the report by our colleague Mr Cohen before the Belgrade conference begins, as it will be represented at the meeting by a delegation that will attend, as an observer, alongside the two other institutions, the Commission and the Council.

After the failure of the Concun conference, Belgrade is practically the only opportunity the industrialized and the developing countries will get to meet and relaunch the North-South Dialogue in 1983. Unctad will be the only place where discussions of this kind can take place this year, for, alas, it seems highly unlikely that the global negotiations will get off the ground again, given the opposition from the USA.

When Unctad I was held in 1964, the economies of the industrialized nations were expanding fast. World trade was developing at the fantastic rate of 20 % a year and even more. The main aim of the developing countries was, naturally, to participate in this growth. But today, the prospects are very different. The question in Belgrade will not be to join in growth or progress, but to determine the conditions in which the rate of development can be maintained in a context where industrialized country incentive will be small because of the continuing world economic crisis.

Sablé

What we have to decide now is how, by reactivating development, we can not only solve the problems of the developing countries but also help establish a powerful, dynamic world economy. We must not forget that, as things stand, 30% of exports from the countries of the West, as was mentioned just now, go to the developing countries which, therefore, constitute an important factor when it comes to economic expansion and the fight against unemployment.

The idea of a Marshall plan for the Third World is beginning to be shared by a certain number of personalities in economic and political circles. But it has to be realized that most of the governments in the industrialized countries, particularly those in Europe, have adopted deflationary policies which run counter to it. Nevertheless, Mr President, each of the major economic blocs of the world, Russia and the USA and Europe and Japan, has to shoulder its responsibilities. The developing countries are finding it extremely difficult to finance their vital imports and pay back their debts. If this problem is not solved, it will obviously not be possible to relaunch development. Liquid assets must be injected into the developing countries as a matter of urgency and we have to hope, as Mr Cohen does in his fine report, that it proves possible to give them facilities to enable them to extend their special drawing rights.

We also have to seek other means of increasing the resources of the international financial organizations and the measures that are likely to wipe out the developing countries' debts. But the Community cannot act alone. Responsibilities must be shared out at Belgrade. For historical, economic and political reasons, the Community's intervention should be mainly geared to the countries of the Mediterranean basin and the Atlantic Ocean, that is to say that the Community's aid should concentrate on Africa and the Caribbean. This is why the Lomé negotiations are so important. The Secretary-General of Unctad himself has recognized that Lomé I and II contained a large number of interesting features, particularly the Stabex, which people are even contemplating generalizing on a world scale. These features, included in the next Lomé Convention, will be of considerable interest from many points of view in the broader framework of the North-South Dialogue. Since Lomé, the Community has felt itself qualified to set the example and launch an appeal to the other industrialized nations. Belgrade will be the only opportunity in 1983 — and perhaps 1984 too — to do so. This is why, honourable Members, all the governments have to see Unctad VI as an opportunity they must not miss.

IN THE CHAIR : MR ESTGEN

Vice-President

Mr Burke, *Member of the Commission*. — Mr President, with your permission I will take the answer to

the report and the oral question together and begin by congratulating the rapporteur on the firmness, clarity and indeed the correctness of his placing of this report in the background of the international situation in which we find ourselves, which is an international economic and political climate punctuated by major meetings of the main participants in this conference : the meeting of the Group of 77 in Buenos Aires, the IMF Development Committee, the ministerial meeting in Paris of the OECD and the Williamsburg Summit.

In particular the preparations for the conference are taking place in a climate of anticipated but still uncertain economic recovery at a time when all the partners in the United Nations recognize the interdependence of policies and problems and when the international organizations responsible for regulating the world economic system — the IMF, the World Bank and GATT — are engaged in an ongoing examination to ensure their optimum adaptation of the new data of the world system.

Now while being extremely comprehensive, this resolution clearly stresses a number of points which are of crucial importance for the Community and its Member States in Belgrade. I refer to these : the essential need for a large measure of Community cohesion — here I would echo the point made by Mr Jackson ; the reaffirmation of interdependence and of the need to maintain and strengthen the North-South dialogue and the call on the eastern bloc countries to assume on a proper basis the responsibility incumbent on them as a result of their importance in the world economy.

Even more specifically, this motion for a resolution is a restatement of confidence in the application of the GATT rules ; stresses the importance of reaffirming the aid targets of 0.7 % and 0.15 % ; confirms the commitment of the Community of Ten to the common fund and the integrated programme and stresses the need to strengthen the system for stabilizing the markets for raw materials and export crops.

Now subject to a few nuances, the Commission can generally approve the various points made in the draft resolution. We would nevertheless wish to draw the attention of the honourable Members to the formulation of some of the points which seem to us to be perhaps excessive or liable to give rise to misunderstandings.

One of these points, paragraph 31, is concerned with the financial aspects — other points I will deal with later in correction with commodities.

Now with regard to the cancellation of the least-developed countries' debts, and here I refer to paragraph 31, the Commission does not believe that it is reasonable to generalize on this question and to

Burke

envisage standard treatment for all countries. That is why it has proposed that the question of least-developed countries' debt relief should be examined on a case-by-case basis, notably via a repeat of the retroactive adjustment in the terms of the official development aids supplied to these countries.

Briefly, in fference to commodities, the Commission does not think it realistic to believe in the imminent conclusion of international agreements in the strict sense of that term covering all the products listed in paragraph 20 of the motion for a resolution. Indeed, Mr President, for several of those products less formal bodies for international cooperation may prove to be more suitable. The Community has always advocated an approach which takes account of the specific nature of each product. This applies equally to the measures envisaged in paragraph 22, namely, the stabilization of prices and the supply management measures.

Lastly, as regards compensation for losses of earnings from commodity exports and departing from what is stated in paragraph 24 of the resolution, the Commission does not believe that a direct link can be made between the establishment of stabilization of export earnings mechanisms and an acceleration in the conclusion of commodity agreements or arrangements. These two types of measures, though complementary, relate to different types of problems which, in our view, should not be confused.

Subject to these slight nuances, we in the Commission support this draft resolution for which, as I have already done, we thank the rapporteur.

In conjunction with this report honourable Members took an oral question on the second Brandt report which, as I agree with them, is an important contribution to the North-South dialogue. This report, of course, contains a number of interesting ideas, although let it be stated that some of these ideas are not new. However, let me point out that only a few of the ideas are elaborated in detail. And in some cases, for example, the proposals put forward for restructuring the developing countries' bank debts, the report even discusses a number of possible solutions, but without indicating a preference.

Now most of the proposals made by the Brandt commission cannot be directly implemented in the short term, but require detailed examination by the relevant national and international bodies. I am pleased to say that the European Commission has contributed to and pushed for such an examination — for instance, by adopting a number of the proposals itself. Thus, to stay for the moment with financial matters, the Commission proposed in its communication to the Council on Unctad VI an increase in real terms in IDA resources, the doubling of the World Bank's gearing ratio and an increase in the relative share of programme aid.

Now the Commission position for Unctad VI is being prepared on the basis of that communication and a number of staff papers. Like honourable Members of this House, the Commission considers that the Community, in view of the place it occupies in world interdependence and its innovative approach to relations between the industrialized world and the Third World under the Lomé Convention, has special responsibility in the North-South dialogue, of which the next major deadline, as has been emphasized, is the Belgrade Conference. Experience has shown that its unity enables it to play a decisive and positive role in international negotiations. The Commission will, therefore, see to it that this unity is also maintained in Belgrade. Furthermore, as underlined by Mr Cohen, our President, Mr Thorn will, do his utmost to get the Williamsburg Summit to give an impetus to the success of Unctad VI.

It is — and here I reply to one of the contributions made — in the light of the results of this conference therefore that it will be possible to assess the desirability and likelihood of success of a new summit meeting between the North and the South.

President. — The debate is closed.

Vote¹

Paragraph 8 — Amendments Nos 6 and 2

Mr C. Jackson (ED). — Mr President, I thought I heard the rapporteur say that he was in favour of Amendment No 6. This puzzles me, because it was an amendment seeking to delete a paragraph that had been adopted in committee. I am puzzled as to how the rapporteur, who represents the committee that adopted that paragraph, could at the same time be in favour of deletion of it.

11. Peripheral maritime regions and islands (continuation)

President. — The next item is the continuation of the debate on the report (Doc. 1-105/83) by Mr Harris².

Mr Griffiths (S). — Mr President, ladies and gentlemen, the Socialist Group will be supporting the report on peripheral maritime regions and islands so assiduously prepared by Mr Harris. Mr Harris has clearly highlighted the special problems of the peripheral maritime regions and islands, which are at the bottom of the Community's economic and social league tables.

¹ See Annex.

² See Debates of 19 May 1983.

Griffiths

Once again, though the Committee on Regional Policy and Regional Planning is regrettably hampered in its proposals by a lack of money to deal with the multiple problems faced by the peripheral maritime regions and islands. I hope, however, that the Commission and eventually the Council will heed Mr Harris' suggestions, including a road equivalent tariff experiment, an investigation of the Norwegian practice of allowing companies to set aside funds from their pre-tax profits for investment in development areas, eligibility for aid from the Regional Fund for ships and planes involved in peripheral maritime regions and islands transport, a review of the less-favoured areas directive and the development of a forestry policy to help the peripheral maritime regions and islands.

I look forward today to the Commission making a positive response to these ideas, so that the people of the peripheral maritime regions and islands will not feel that they are forgotten by those who shape policy at the centre of the Community.

Mr Travaglini (PPE). — *(IT)* Mr President, ladies and gentlemen, on behalf of the PPE Group I should like to emphasize the completeness and incisive character of the Harris report, which we entirely support. It helps to fill a serious gap in the Community's regional development policy. It emphasizes, in fact, with ample details, the special delaying effect that 'peripherality' and 'insularity' have on the growth on the regions of the Community.

The persisting economic crisis and the reduced competitiveness of the EEC in world markets have caused the already modest financial resources to be concentrated in the traditionally industrial areas, reducing political tension in consequence and drawing the attention of governments away from the already serious problems of the peripheral and island regions. A general collapse of investment in these regions, far exceeding that which has occurred in stronger areas, has accentuated the gap and made recovery more difficult.

The decline concerns all productive activities: the agricultural sector has suffered from the failure to implement an adequate policy for strengthening the farming structures, as well as from continuing and depressing under-employment, due to the impossibility of transferring a corresponding proportion of farming manpower into alternative sectors of production, which are non-existent.

In industry, small and medium-sized firms have almost everywhere been faced with, and continue to be faced with, increasing difficulty, not only because of the contraction of local markets, to which they are usually more closely linked, but also where the introduction of new technology is concerned, remote as

they are from centres that give an impetus to development, and held back as they are by external economic conditions and the greater difficulty of obtaining loans.

The service industry, in those areas, is increasingly a kind of last resort, ill-organized, without any proper policy for its planned development, and hampered in its operations by lack of resources and the other critical pressures typical of periods of economic instability.

Transport inadequacies are perhaps the most important cause of delayed development, and here we see once again the very serious responsibility of the Community Institutions which, despite the precise terms of the Treaty, have totally neglected this fundamental policy, so that our Group were obliged to promote the action of Parliament in taking the Council of Transport Ministers to the European Court of Justice, for failure to act.

What can be done to make up all of this lost time and overcome all the reasons that prevent the implementation of a more incisive Community policy for the peripheral maritime regions and islands?

The research and proposals of Mr Harris, and the discussions that have taken place in our Committee, have enabled certain proposals to be prepared that I and my Group support, and which constitute a useful basis for putting forward precise proposals for the Commission to submit to the Council and to this Parliament.

Mr De Pasquale (COM). — *(IT)* Mr President, I support the Harris report, and I will now explain my question, which is connected with it. The objections put forward by the Commission to numerous agricultural laws in Sicily have taken on a political importance that goes beyond questions of merit and affects the very much wider question of the overall relationship between the Community and the largest Mediterranean island, with its own special autonomy and exclusive legislative powers where agriculture is concerned. It is proposed to repeal certain essential consolidated parts of Sicilian legislation, which undoubtedly is not without its defects, but which has provided valuable support for production and employment in that region. Just imagine, some of the proposals affect laws that have been in force since 1973: a very sharp and strange awakening, after a ten-year-long sleep! The Commission should, instead, have exerted its watchfulness and devoted its energies to actions to stimulate the agricultural development of Sicily.

Sicilian products are hedged around with every kind of obstacle. They have no protection at the frontiers, they receive little financial support and are subjected, on the domestic market, to the unbearable pressure of

De Pasquale

the large food industry conglomerates. We cannot shut our eyes to these very real facts. The petitions before the Court cannot suppress unsuppressible living and working needs. The Common Agricultural Policy is collapsing beneath the weight of its inherent injustice and its bureaucratic management, which together force the weak to seek protection with measures that are perhaps wrong, but which are dictated by the need to defend oneself as best one can.

In the case of Sicily, there is nothing to prevent the competent members of the Commission from sitting down at a table with their counterparts in the Sicilian government and Parliament, to examine together what changes should be made to the laws: not only, that is, in a spirit of contestation, but one of understanding and helpfulness. President Thorn made an official visit to Sicily and, whilst thanking him for this proof of his close interest, we asked him to take a new line, not least out of the respect due to our special autonomy. We were promised that these meetings would have taken place in a spirit of collaboration, but so far there is no sign of this.

The Sicilian government remains inert, shut up in its own back garden, and the Commission continues to churn out petitions. We therefore renew, Mr President, the pressing request for an agreed revision of Sicilian law that will not eliminate but redefine the system of regional aid to agriculture, in the spirit of Article 92 of the Treaty.

Mrs von Alemann (L). — *(DE)* I have read this report with great interest and can only emphasize many of the points it makes. But on behalf of the group, and in particular as an expert on transport, I would like to make a few comments on the report, since we were not asked for our opinion. My first comment is a general one: I noticed that Articles 14 and 15 of the report also, refer to direct subsidies for transport costs.

Perhaps I should go on in English, because what I am going to say is addressed mainly to my British colleagues.

I can only warn, as a transport expert, on leading people to believe that the European Community would be able to give direct grants towards the operating costs of transport systems. There is most certainly an urgent need for investment costs and very urgent need for harmonization of legislative measures, but I warn people against starting on subsidizing operating costs. This begins to get very difficult. That is why I asked for the floor, particularly because there is an amendment by Mrs Ewing who actually goes very much further than the rapporteur and asks that national transport subsidy schemes, including operating subsidy policies, should be eligible for Community support. She also asks that there should

be comprehensive and direct Community intervention in this sector in the short to medium term.

That is the kind of thing I mean. If you promise that to your voters, it makes the whole Community look unrealistic and is bound to cause very great disappointment on all sides. That is why I urge colleagues, even when they are directly elected in a constituency, not to promise people something which they certainly know they cannot keep.

Mrs Scamaroni (DEP). — *(FR)* Mr President, the motion for a resolution was adopted unanimously by the Committee. That shows the priority its members put on reaching a consensus on the serious problems which the peripheral maritime regions and islands of the Community are facing now and have been facing for some good time.

I think the situation can be looked at from two angles. First from the point of view of the general crisis in these regions and, second from the point of view of the particular field or sector to which Community policy should be geared. Europe has reached a crisis in dealing with the cancer of unemployment. In the regions covered by this report, we should even be talking about a supercrisis. I shall not repeat the figures. They are overwhelming.

So I shall confine myself to two remarks. First, the economic crisis is both amplifying the imbalance between the central and the peripheral regions and multiplying the constraints. So the marginal rate of investment will go, not in part but in full, to the central regions. Second, fewer investments means even greater isolation. It is a bad thing to allow what could become a political void to be established. Europe has regions which are exasperated by economic isolation and develop what are sometimes very radical forces of opposition. This is not inevitable. These regions almost all depend entirely on agriculture. The CAP accounts for 65 % of the Community budget. So it is essential, first of all, for support for Mediterranean products from the Guarantee section of the EAGGF to be increased as compared to that for products from the north of the Community. Then we have to encourage the Commission to pursue the course it has plotted in the adoption of guidelines for the integrated Mediterranean programmes, particularly in the use of the non-quota section of the ERDF. And lastly, we should measure the repercussions on these regions of enlargement of the Community to include Spain and Portugal in a realistic manner.

The second part of the Community's policy should be expressed in the transport sector. Over and above the development of infrastructure, the vital equivalent rates for road and rail transport should be taken over for both goods and passengers. This would improve the problem of insularity and the poor economic diversity of these regions.

Scamaroni

In conclusion, I should like to say that I was somewhat upset, nevertheless, when I read in the motion for a resolution that the idea was to help these regions survive. I believe — and this is perhaps a manifestation of my island sensibility — that it is right and fair to emphasize the fact that the ambition of the populations of these regions of Europe is to live in dignity. And it is difficult to do this when the economic crisis is allowed to continue its implacable development. Tomorrow, these regions will perhaps be richer than any industrial centre, since they have a continental shelf the wealth of which has only just begun to be assessed and exploited and for which we have to decide to fix limits. So the coastline and the islands will help push back the frontiers and I, for one, believe the future lies with the sea.

Mr Pesmazoglou (NI). — *(GR)*. Mr President, we are now debating a problem that is important for the entire Community, and of course for those countries a large part of whose territories and population are insular. The lively interest of Greece therefore goes without saying.

Mr President, I should like to say that the text is basically satisfactory. It places emphasis on the special nature of the problem and provides guidelines for its correct solution. I wish to stress the following, which are elements of the problem as it arises in Greece, where there are many hundreds of islands that need special treatment.

The first point, Mr President, is that on every island and in every centre of population there are marked inequalities in the distribution of income. In other words, the problem that exists for the Community as a whole between the peripheral and the central countries also exists for each island on its own. The result is that even when tourism is developed, there is a very large difference between the per capita incomes yielded by tourism-related activities compared with those yielded by agricultural, handicrafts or fishing activities. Thus, this problem needs to be faced and the way to deal with it is suggested in the report by Mr. Harris, which states that we must have integrated programmes covering agricultural and fishing production, cattle breeding, handicrafts and manufacture, tourism, and I would add, cultural activities. The integration of those activities should be a basic aim. However, this means that each island should have some specific programme, and this is a very positive feature, Mr President, since the local authorities on each island can contribute to each specific programme that we formulate for every one of them. I repeat that so far as Greece is concerned this means about two thousand programmes. This is a fine challenge, and one worth facing.

My second comment, Mr President, concerns the subject of transport and I must say that I listened with particular care to what Mrs von Alemann had to say

concerning the subsidy of operating costs in the sphere of transport. However, I must comment that such subsidies cannot be restricted to mountainous regions. There are cases of very distant islands, where running costs for transport are very high and where subsidies are therefore necessary. I agree completely with Mrs von Alemann that one should never make promises one is not about to fulfil, and I passionately support what she said. But in the case of mountainous regions we must subsidize the operating costs.

My final comment, Mr President, is that for Greece, for the Greek islands, the exploitation of both wind-based and solar energy is an important possibility that has a bearing on the development of the islands and their populations.

Mr President, I think that late as it is today, on a Friday, we are debating a very important and a very fine subject. I hope we adopt this proposal by a good majority and that the Commission will hasten to implement it.

Mr Ziogas (S). — *(GR)*. Mr President, from the northern coast of Ireland to the southern coasts of Greece, the European Community presents a great variety of peripheral and island regions which are, however, characterized by broad organizational similarities since to a greater or lesser extent they face the same developmental problems.

These problems are determined by a common denominator, specifically the inability, owing to their own limited capabilities, to reduce economic and social inequalities and to be incorporated in the economies of scale, which are basic prerequisites for the convergence of economies and the bridging of the gulf between the central and the peripheral regions within the framework of the Community.

There can be no doubt that the Harris report presents with great clarity and emphasis the special problems of peripheral maritime and island regions of the European Community, problems that have continually spread recently, mainly because of the economic crisis, the inability to develop indigenous potentials, and the particularly low and sporadic intervention of the specialized Community financing organs.

The report goes on to make certain proposals which, if implemented, will contribute significantly to the development of those regions. In particular, we would like to underline those of the rapporteur's proposals that have to do with the development of fish farming and the processing of fish, the improvement of transport, the financing by the Community from the revised Regional Development Fund and from the pre-tax profits of companies, the subsidy of products from those regions to cover excessively high transport costs, the development of small touristic units under the supervision of local authorities, and the reinforcement of the economic and social infrastructures.

Ziagas

However, we must point out that the report omits a number of points that concern the least well developed among these regions, where there is virtually no infrastructure at all. One such region is Greece, where most of the territory consists of island and maritime regions.

For this reason, and in a supplementary spirit, we propose the inclusion of the following actions :

First, a subsidy from Community resources for the restoration of normal communications to presently out-of-the-way places.

Second, support for popularly-based companies, companies that are directly controlled by the residents of the islands.

Third, finance and technical support for the small-to-medium enterprises in these regions.

Fourth, support for research programmes for the development of local alternative energy sources, such as geothermal energy on Milos, wind-based energy on Kythnos, and solar energy on a whole range of other islands.

Fifth, an effort towards seawater desalination, in view of the fact that many islands cover their needs by transporting water in ships.

Finally, the approval and implementation of the integrated Mediterranean programmes will solve many practical problems in the areas in question.

Mr Kyrkos (COM). — *(GR)* Mr President, I too would like to join the chorus of approval for the splendid report prepared by our colleague Mr Harris, which has given us the opportunity to concentrate our attention on the problems of the island regions. This morning we are witnessing a rare moment of harmony, perhaps because there are fewer of us, though it is remarkable how many subjects have been covered without conflict. This is a very positive observation on our Parliament, and I am sure that we will also give unanimous approval to the Harris report.

Greece possesses the special feature of having over two thousand islands. A little while ago, Mr Pasmazoglou spoke about the particularity of each case, and one could indeed accept the notion that we are facing the challenge of drawing up a large number of programmes. An aspect on which I would like to insist is the need for full collaboration with both local and regional authorities, because unless the local communities are activated it is impossible for any programme to bear fruit, no matter how great in spirit.

I too would like to insist most emphatically on one aspect of the matter : there are islands that find themselves in an intermediate state of development. They are already centres of economic and cultural activity.

They show the special features that characterize the stage of development in question, and they too need some support. However, there is a large number of islands that are virtually cut off from the rest of the world, and whose most basic problem is that of communications.

In concurring with the proposals put forward both by Mr Pasmazoglou and by Mr Ziagas and referring in particular to the Greek Islands, I would like to stress the need to subsidize coastal shipping lines, and especially to subsidize popularly-based companies, which not only mobilize the local population factor but also give it the possibility to activate its resources and its disposition to contribute to development. Our own example of the island of Milos, where geothermal energy is being exploited with very good results, allows us to recommend special support for island regions, where there are opportunities for developing alternative sources of energy : wind-based, solar, or others.

Finally Mr. President, we concur with what has been said about organizational changes in the agricultural economy of the islands, and about improving the existing technology of small-to-medium concerns. However, we would like to stress the need to support cottage industries and handicrafts as well, since these have a long tradition and produce additional income for both men and women.

Mr Narjes, Member of the Commission. — *(DE)* Mr President, the Commission welcomes the fact that Mr Harris' excellent report contains not only an in-depth analysis of the problems facing the peripheral maritime regions and islands of the Community but also puts forwards a number of new ideas and proposals for solutions. As you know, the Commission has always given priority to these regions under its regional policy. This is clearly reflected by the scale of aid from the financial instrument of this policy, the European Regional Fund, and by the many studies and analyses which the Commission has to undertake to prepare its regional policy activities and actions.

May I also point out in this connection that, as emerges clearly from the Regional Fund's annual report, the peripheral maritime regions benefit from the lion's share of aid from the non-quota part of that Fund. Moreover, a special chapter of the First Periodic Report on the economic and social situation of the regions of the Community was devoted to the peripheral regions' problems. The Commission in fact went even further, giving added emphasis to this priority in the proposals it submitted, and which you supported, in the framework of the review of the Regional Fund. The system of geographic concentration of the quota-bound appropriations from the Fund will mainly benefit the peripheral maritime regions of the Community. The same applies to the non-quota part, where the Commission has followed Parliament's

Narjes

proposal to introduce new possibilities of aid by means of specific Community measures in favour of peripheral regions or islands or areas threatened by depopulation.

Now we come to the transport problems, to which Mr Harris attaches special importance and which have also been raised in this debate. You know that at present the Commission tends, as regards projects financed from the non-quota appropriations, to interpret the concept of infrastructure more broadly by extending it to certain investments on movables. At the same time, in its proposal for non-quota action in favour of Greece, it has provided for specific aids for the improvement of sea and air links with the mainland and the other islands, which is most important to the islands.

But the proposals from Mr Harris and some other speakers go even further, especially as regards the road equivalent tariff. The Commission is grateful for these pointers. It proposes to examine in detail the role and implications of these instruments and to devote even more attention to regional aspects in its transport policy.

But we must make a distinction between two cases. One case is operating subsidies, i.e. continuous aid from Community resources, while the other case is corresponding aid from national resources. In the first case, I do not see, for the foreseeable future, where the Community is to get the necessary funds from, quite apart from the all the other problems involved. In the second case, we would be concerned with a problem of subsidies and a problem of transport policy, which would have to be dealt with in the framework of these two policy areas.

As for the oral question by Mr De Pasquale, I think I can say at this point that some of his questions regarding Sicilian agriculture since the question of 7.7.1982 have already received precise answers from the Commission, and we assume that you appreciate this. I hope that an end has been put, for ever, to infringements of the principle of the free market in wine-growing, against which the honourable Members rightly protested. The Commission did not neglect to pursue breaches of the Treaties in this sector by legal and political means. Moreover, the wine-growing regulation adopted in July 1982 contains stronger intervention measures, which will have positive effects on producers' incomes and should prevent any repetition of such expressions of intolerance or infringements of the principle of free trade as have regrettably occurred to date.

May I also point out that last year marked improvements were introduced in the common organization of the market in fruit and vegetables, in particular through measures to improve the production and

marketing of citrus fruit, which is of particular interest to Sicily. Furthermore, in March this year the Commission took practical follow-up measures, on the basis of its agreement in July 1981 to submit integrated programmes for the Mediterranean region, which relate to both agriculture and other economic areas, and which are very likely to create new jobs in this area.

The Commission hopes that these proposals, on which Parliament is due to deliver its opinion in the near future, can be adopted and enforced as soon as possible, not only in the interests of Sicily and the other directly concerned Mediterranean areas, but also in the interests of the entire Community.

However, we could not possibly talk about observance of the obligations arising out of the Treaty, nor of Community solidarity in favour of the Mediterranean, if we allowed one of the parties concerned, even a disadvantaged area like Sicily, to escape the inherent constraints of the Treaty or the common policies. That is why the Commission must act on all infringements of the Treaty, and especially of Article 92 of the EEC Treaty, that it finds have arisen in regional or national aids whether in agriculture or in other economic areas.

As regards regional aids specifically, to which the honourable Members referred, it has been found that in most cases they involve operating subsidies which not only have very limited effects on the development of agriculture but also, and above all, can directly impair the competition between the Community Member States. Consequently, they are incompatible with Article 92 of the EEC Treaty.

In other cases, by contrast, it is a question of measures to benefit production areas which are already covered by a Community market organization, so that the national or regional legislator probably has little authority to decree autonomous measures. That is why it is easy to understand that if one allowed such exceptions from this basic principle, this would in practice mean renationalizing the common agricultural policy, which would not be in the interests of the Commission, or of the Community, or of the region in question, and could certainly not be legalized by this House or any other body.

President. — The debate is closed.

*Vote*¹

12. Carriage of goods by road

President. — The next item is the report (Doc. 1-76/83) by Mr Marshall, on behalf of the Committee on Transport, on the proposal from the Commission

¹ See Annex.

President

to the Council (Doc. 1-690/82 — COM(82) 578 final) for a regulation on the formation of rates for the carriage of goods by road between Member States.

Also included in the debate is the oral question with debate (Doc. 1-192/83) by Mr Seefeld and others to the Council :

Subject : Commission proposal for a regulation on the formation of rates for the carriage of goods by road between Member States (COM(82) 578 final)

1. Will the Council explain its reason for requesting Parliament to deliver its opinion on the above proposal in time for the meeting of the Council of Transport Ministers on 16 December 1982, despite having consulted Parliament only on 6 October 1982 ?

2. Is the Council of Transport Ministers prepared to hold an extra meeting early in 1983, for example in March, with a view to reaching a decision on this proposal ?

Mr Moreland (ED), deputy rapporteur. — Mr President, before I speak, I need your guidance, because the oral question, on behalf of the Committee on Transport, to the Council is also included in this debate. Now I do not in fact see the Council present here. Am I in fact to expect a reply, or not ? In other words, if there is to be no reply, can the question be taken separately at a later date when the Council is present ?

President. — But it is down on the agenda. I think that we must bear this in mind, unless you want to put your question at another time.

Mr Moreland (ED), deputy rapporteur. — Mr President, I think I would refer this back to the Committee on Transport for consideration at our next committee meeting. It is obviously ridiculous to put a question to which we get no answer. I shall confine myself to the report.

Mr President, we have in this Parliament, on many occasions discussed agricultural prices. Today we are discussing the rates for road haulage operations within the Community. It is in fact arguable that these rates are as important to our cost of living as are our agricultural prices. Indeed, if I may give an illustration of that, one-third of the cost of milk is attributable to the cost of transporting it. 13 % of the cost of beer happens to be due to transport. For the food industry as a whole — and, of course, I exclude beer as a food — something between 10 % and 15 % of costs are attributable to road haulage rates. So it is not an unimportant subject in terms of the cost of living of the people of this Community ...

(The speech was being drowned by conversation between some Members)

... It is so important that I wish the people around me would not have a number of other debates and listen to what I am saying.

I may repeat that point, Mr President, I would hope that all the debates behind me and around might cease while I am speaking as a matter of courtesy.

President. — You are right, and I think all Members should have the courtesy to stop speaking while you have the floor.

Mr Moreland (ED), deputy rapporteur. — Mr President, the problem that lies behind this particular proposal is that many years ago, a number of governments within the Community 'got sucked in to' — if that is the right phrase — providing compulsory rates for road hauliers. In other words, the government set the rate for road hauliers. Some did not. Needless to say, this has created problems because some countries have been unable to enforce the rates. In other countries and — I think it is fair to say in this respect, the Federal Republic — it has led to rather high rates for transport. Of course, the problem arises as regards the Community when we are talking about intra-Community transport. What sort of rates should be laid down ? In the past, of course, where there have been compulsory rates in two Member States, compulsory rates have reigned.

Now the Commission today is proposing some modification in this. In other words we have a step in the direction of liberalization. We have a step towards what is called prices. In other words, prices would really be recommended rather than be made compulsory. It is the general view of the committee that this proposal should be accepted. I also note that it is the general view of the Committee on Economic and Monetary Affairs that this should be accepted. Indeed that committee appears to be even more in favour of liberalism than my own committee.

I would, therefore, hope that Parliament would accept this proposal. I think it should accept it in the knowledge that it will be controversial with one or two Member States. One of the problems we have with the road haulage industry in the Community at the moment is that it is not competitive enough. It is not cheap enough. It is not letting enough small road hauliers into the business, particularly in those countries where compulsory rates are laid down. We wish to see that industry made more competitive. I believe that the Commission's proposal is a step in that direction and that this Parliament should support it with the one or two amendments, particularly the important amendment which lays down a maximum period of 5 years, so that this can be reviewed again and, we hope, further steps taken in the direction of liberalization.

Mr Burke, Member of the Commission. — Mr President, I can be brief in thanking the Parliament for the way in which it has treated the proposal before it. The draft resolution adopts the basic principles that rates for the carriage of goods by road between Member States should be formed freely. This being the case, I think we are very happy with it. The Commission considers that in a market already highly subject to major constraints of which the quota system is the most obvious example, a system of recommended tariffs is a way of obtaining the greatest advantages for both the transport market and the general public. On the one hand, it provides the road haulier with the information he needs for calculating the rates he will charge, but, on the other, leaves him entirely free to charge rates other than the recommended ones in the full knowledge of what he is doing.

I would make a few points about one or two paragraphs, the proposed Amendments Nos 1, 2 and 3. In regard to Amendment No 1, the change in the wording of Article 7 (2) to specify what shall be the consequences of consulting transport users and freight forwarders when drawing up reference tariffs, the report by your Transport Committee raises a number of questions and we, in the Commission, might be disposed to adopt as our own those changes put forward as I suggest.

On Amendment No 2, in addition to Article 17, to the effect that a copy of the Tariff Committee's annual report should be sent to Parliament, there is no problem, as also on Amendment No 3, the insertion of a clause to the effect that the regulation shall be reviewed in five years.

I still have one comment to make on the draft resolution before you, and that refers to paragraph 10, which considers that the period of application of the minimum tariffs should be limited to a specified period. The aim here is to make the proposal coherent. I have to admit that the idea was adopted as a working assumption and appears in the explanatory memorandum. Nevertheless, it was decided that when compulsory tariffs were introduced, it would be better instead to offer the possibility of negotiating special contracts without time limits in order to make the market as flexible as possible in the face of so very many constraints.

In general, we thank the Parliament and welcome this proposal.

President. — The debate is closed.

*Vote*¹

13. Annual accounts of banks

President. — The next item is the report (Doc. 1-117/83) by Mrs Vayssade, on behalf of the Legal Affairs Committee, on the

proposal from the Commission to the Council (Doc. 1-95/81 — COM(81) 84 final) for a directive

concerning the annual accounts of banks and other financial institutions.

Mrs Vayssade (S), rapporteur. — (FR) Mr President, I do rather deplore the fact that this report has had to wait to be discussed until 1.15 on a Friday afternoon — and by such an empty House.

The document we are about to discuss is an important one, because it deals with applying the Fourth Directive on the accounts of commercial concerns (which has been adopted and will be taking effect in our countries at the end of the year) to all European banks and other financial institutions. The idea is to harmonize and standardize all public accounts — the companies' balance sheets and their accounts of losses and profits, that is to say. The Directive was not to be applied to financial establishments and banks, which had special problems.

So today we have a proposal for a directive which is, first of all, part of the Community's drive to coordinate — where necessary and with a view to standardizing — the guarantees required in the Member States of companies within the meaning of Article 58 (2) to protect both associates and third parties. In second place, the document is one which completes Community legislation on the conditions of operation of credit institutions. On 28 June 1973, the Council adopted a directive in this field, with the aim of doing away with restrictions on the establishment and free provision of services and, on 12 December 1977, there was a directive on the coordination of laws, regulations and administrative provisions on access to the activity of credit establishments and how to carry it out.

That is what the text before you is about. So it is an autonomous text. It is not the first time that the Commission has used this method of making derogations from a previous directive. The Legal Affairs Committee has approved it.

The second question about the field of application was to whom this directive would be applied. Well, it applies to any bank or financial institution with a legal status as a company in the Member States — i.e. it does not include branches of companies whose headquarters are outside the Community. The Commission has announced that a special text is being drawn up. The Legal Affairs Committee has asked to see the method used and the anticipated contents as soon as possible.

The aims of this text are to make the accounts of banks and financial institutions in the Community more faithful and, as far as possible, of maximum clarity and comparability — as is the case with commercial concerns. So we had to deal with a certain number of problems with a view to doing this. I shall mention four of them, because I think they were the most important issues raised in the Commission.

¹ See Annex.

Vayssade

The first was the order in which the balance sheet should be presented. The Commission had opted for a solution involving decreasing liquid assets. The Legal Affairs Committee did not follow the Commission's proposal, leaving the Member States a free hand. I have to say that, personally, I regret this situation as it means that the text makes for far less harmony. The other problems were to do with the clarity of the accounts — could items on the balance sheet be grouped together and could items be set off in the profit and loss account — i.e. not be totally faithful to the accounts and only show credit balances in the accounts? There was a lot of discussion on this project in the Committee. I personally was in favour of maximum transparency, in the hopes that there would be minimal grouping of items and, if possible, no set-off. The Legal Affairs Committee felt that banking activities called for more flexibility in the application of the texts.

The last question was one of the possibility of banks undervaluing certain items on the balance sheet in order to comply with their particular obligation to appear credible to their customers. I proposed that this be prohibited altogether and that only Article 39 of the Fourth Directive be used. Faced with the hostility of the Committee, I opted for the solution of the Brussels Commission. The Legal Affairs Committee went further and asked for the banks to be able to undervalue — to a ceiling of 5% — a certain number of items on their balance sheets.

Those are the main points and they are, I think, the important aspects of this report.

I should like to end by saying that the Legal Affairs Committee would like to see the Council adopt this text by a majority, as happened with the Fourth Directive, if it is unable to reach a rapid unanimous decision.

As, of the amendments that still stand, all, bar one, come from the Legal Affairs Committee, the rapporteur will, of course, be supporting them at the vote.

Mr Sieglerschmidt (S). — (*DE*) Mr President, honourable Members, at this late stage it does not seem appropriate to enter into long discussions. Truthful and clear balance sheets are the preconditions for successful cooperation between economic undertakings and their business partners on a basis of good faith. This applies to all economic undertakings, and therefore also to banks.

Certain special features apply when banks make out their balance sheets, of course, but this must not lead to any infringement of the basic principle of the clarity and probity of the balance sheet.

The Socialist Group has tried to take account of certain, understandable interests of the banks where this was admissible and still just acceptable, in order to reach a productive compromise. Unfortunately

other Members in the Legal Affairs Committee did not want to tread this path of compromise and did not accept our attempt. In these circumstances let me say that the Legal Affairs Committee's report was weakened by several amendments which not only lead to less clarity in the balance sheets — to put it very cautiously — but have made the Commission's entire, self-contained proposal less clear than it was before. For that reason, we will not be able to vote in favour of the proposed directive if these amendments are adopted.

Since this is such an important issue, I think we should not vote on it now, given the number now present in the Chamber although without having any illusions as to the outcome of the vote. So I request that it be ascertained whether a quorum is present.

Mr Patterson (ED). — On a point of order Mr President, I would like to move that the Caborn report, which is the last item on this agenda, be adjourned and put on the agenda for Monday of the next part-session.

President. — You know our Rules of Procedure. Rule 87 lay down that a motion of this kind may be tabled only immediately before the debate or during the debate. When we come to this debate therefore, you will have to repeat your request at that time.

Mr Patterson (ED). — Mr President, this morning — perhaps you were not here — Lady Elles ruled from the Chair on the Martin report that he could move it off the agenda, and that was done. So we have a precedent today for doing just what I am proposing.

President. — I think that that was a different situation, which Lady Elles in any case interpreted differently. I take the same line as the Committee on the Rules of Procedure and Petitions and I am going to stick to that. I think that we will not get finished with the agenda this morning.

Mr Prout (ED). — This directive is of considerable importance to financial institutions throughout the Community. It will be of assistance to shareholders, depositors and, indeed, other banks in assessing the proper financial position of any particular financial institution.

The Legal Affairs Committee has put forward 25 amendments, with which my group are in broad agreement. There are 4 matters to which I would wish to draw the House's attention.

The first is the question of set-off. The Commission proposals made no proper provisions for set-off between related items in the accounts. The Legal Affairs Committee and the members of my group on it consider this position unsatisfactory. An inevitable distortion might arise by the artificial nature of a calculation which does not allow set-off. I therefore

Prout

commend to you Amendment No 22 of the Legal Affairs Committee, which allows set-off where it is legally permissible.

Article 9 of the proposals relates to the maturity of assets and liabilities. Article 9 (5) of the Commission proposals properly permits the Member States to allow certain exceptions to provide a true and fair view of the position of the financial institution. Such matters should be clearly indicated in the notes to the accounts.

Amendment No 8 of the Legal Affairs Committee seeks to delete paragraph 5, thereby deleting a very necessary element of flexibility designed to show a true and fair view of the position of the institution. I am therefore against Amendment No 8.

An important feature of the directive relates to the valuation of assets. Article 36 of the proposals provided that assets should always be valued as fixed assets. In Amendment No 19, the Legal Affairs Committee seeks again to provide a measure of flexibility in that the valuation of certain assets may be at stock-exchange or market value if the Member States so permit. Members of my group consider that this imports necessary flexibility into the proposals relating to valuation. In particular, the amendment takes account of the position of Danish banks. The proposals would have created massive disruption in banking accounts in Denmark. The Legal Affairs Committee believes that the object of the Commission's proposals can be achieved while nonetheless allowing a measure of flexibility.

This brings us to the almost philosophical matter of hidden reserves. The trend of thought in the major banking sectors of the world is probably leading away from such reserves. In practical terms it is, however, quite impossible to avoid the creation in certain accounts of hidden reserves in financial institutions. The Commission considered that the question of hidden reserves was one which the directive had to answer: in the current proposals, hidden reserves of a certain nature are permitted in the accounts of all institutions covered by the directive.

The Legal Affairs Committee did not consider that it was in fact necessary to answer this question. It has, therefore, proposed Amendment No 20 which allows Member States to permit derogations allowing hidden reserves of a wider nature in respect of all or certain institutions covered by this directive.

Amendment No 21 safeguards the positions of customers and other credit institutions by ensuring that the supervising authorities ensure that hidden reserves do not create a distorted picture of the financial position of the institution. If the tide of history ebbs away from hidden reserves, they will slowly disappear, as they have done, for example, in relation to accounts of the major clearing banks in the United

Kingdom. The Legal Affairs Committee considers that its formulation is a much more pragmatic and satisfactory solution than the Commission's attempt to permit hidden reserves to all financial institutions.

This group supports all the amendments other than Amendments Nos 8 and 25. It warmly welcomes the Commission's initiative and the rapporteur's sterling efforts in guiding the committee through this difficult and technical subject. It warmly congratulates Mrs Vayssade and welcomes her motion for a resolution.

Mr Moreland (ED). — Mr President, I wanted to make two points in relation to this particular proposal. The first concerns Mrs Vayssade's Amendment No 11. I think this is a mistake, because it lumps together changes in respect of loan provisions with similar movements on securities. I think that this is, in fact, mixing chalk with cheese. The original proposal from the Commission was better. I would suggest that Parliament would be well advised not to accept her Amendment No 11.

Having said that, I agree with nearly everything else in that report, except to say that I regret that the Legal Affairs Committee has been rather timid over secret reserves. Why should banks be allowed hidden reserves? They argue that they have unquantifiable uncertainties particular to them. Is this really so? If so, why should they be hidden? Commercial concerns provide for losses which have been specifically identified but also for those which they believe are inherent in their accounts receivable. There is nothing to prevent banks from making such appropriations. I believe that hidden reserves hide the truth from the shareholders and, indeed, from those who lend money to banks. I would suggest — from the experience, for example, of those in the City of London — that there have been crises in banking in the past when one wishes one had known what the secret reserves were of certain of the banking institutions.

In case anyone thinks that this is a sudden Conservative conversion to Socialism's attack on banks, I can assure them that it is not. The view that I am expressing is the same view as that of the British House of Lords, and what could be more Conservative!

More seriously, it is also the view expressed by organizations like the chartered accountants around the Community, who, of course, have the advantage of both knowing what the situation is and being objective on it. I would have hoped that the committee could have been a little bit more ruthless on hidden reserves. They are wrong.

Mr Burke, Member of the Commission. — Mr President, I want to thank Mrs Vayssade and the members of the Legal Affairs Committee for the report. As you know the Commission proposal is intended to supple-

Burke

ment the fourth directive on company law, as we have heard, and it broadly seeks to coordinate national legislation on annual accounts of limited liability companies. Article 1(2) granted to Member States an option not to apply the directive to banks and other financial institutions or to insurance companies pending subsequent coordination. The proposal for a directive now before you seeks to fill this gap for banks and other financial institutions. The Commission hopes to present a proposal on insurance companies in the course of the next year.

The present proposal adapts the fourth directive to the banking sector on many points and even includes a few derogations where they are rendered strictly necessary by the aspects peculiar to the activity pursued by those institutions. But the basic principle is that the accounting principles enshrined in the fourth directive should apply as far as possible. It is in this light that the Commission has considered the amendments proposed by Parliament.

I now refer to Amendments Nos 1, 24 and 25. Mr President; I think there may be a misunderstanding. As it now reads, Amendment No 1 would exclude almost entirely financial institutions to which the fourth directive will not already have been applied. I acknowledge, nevertheless, that there may be a problem because of our definition of a financial institution not being sufficiently precise. We came up against a similar problem in discussions in the Council on the proposal for a directive on the supervision of credit institutions on a consolidated basis. I am glad to say that we hope to find a solution to this shortly and we shall take it into account when drafting our amended proposal to the Council. Nos 24 and 25, which would have us specify in so many words that the committee provided for in Article 43, which is to look after the application of the directive, must include representatives of the banking and supervisory authorities. In this regard I think that nobody would question that they should be represented, but we cannot usurp the governments' role in making this type of appointment. We feel that the best solution is to leave Article 43 as it now stands.

Briefly, I welcome Amendments 2, 6, 7, 9, 10, 17, 18, 21 and 23. On Amendments Nos 4 and 5 there are a few minor changes needed but on Amendment No 8, the Commission, I can indicate, will give further consideration to this matter.

I now come to a number of amendments which transgress the fourth directive principles of transferency and true and fair view. The common purpose of Amendments Nos 11 to 16 is to make it possible to offset losses on credit transactions against profits on securities transactions and vice versa; the Commission considers that these are fundamentally very different types of transaction. The Commission proposes to maintain its proposal by recognizing that Member States in Council may wish to put forward a deroga-

tion for small and medium-sized banks still accounting on the merged basis. On Amendment No 20, I have to say that this one has the same sort of aim, namely to class other transactions with credit transactions but it is much more radical and therefore even less acceptable.

Article 37 to which the amendment relates provides for an exception whereas the amendments I have just been discussing relate to general rules. And like every such provision it must be drawn as narrowly as possible. It refers to the formation and holding of hidden reserves by banks.

It is common knowledge that this practice — although permitted in the eyes of the law and accepted as conventional accounting practice in several Community countries — is under strong attack, not only by accountants but even in certain banking circles. In a realistic appreciation of the *de facto* and *de jure* situation in several Community countries, the Commission somewhat reluctantly decided to allow banks to build up and maintain hidden reserves, even though this is a retrograde step compared with the fourth directive which prohibits them.

The Commission remains of this view while acknowledging the opposing arguments represented, *inter alia*, by Mr Moreland's Amendment No 26. But since this would be a major departure from the principle, the Commission proposes that it should be limited exclusively to those balance sheet items which represent the very essence of banking activity, the items covering loans and advances to other banks and to customers. It sets a quantitative limit to the amount of reserves permissible.

On Amendment No 20, which asks us to widen the scope of exceptions to a further significant extent in relation to valuation rules, may I say that under our proposal only two items of the balance sheet would not be represented with the utmost fidelity. If the scope were widened as requested, virtually the entire balance sheet would no longer present a true and fair view. All transparency would be lost, and it would be extremely difficult to compare the balance sheets not only of banks in different countries but even of banks in one country. Such a result, I am afraid, the Commission cannot accept without losing sight of the principles it has always upheld. There is a worldwide trend towards more disclosure in banks' accounts. It would be unacceptable, and even quite incomprehensible, to all relevant bodies if the Community alone decided to step backwards.

Reference has been made to the matter covered by Amendment No 19, and I would also mention that the particular Danish problem which it was designed to meet is now resolved by acceptance of inflation accounting in the Danish legislation implementing the fourth directive.

Burke

Amendment No 22 is not acceptable, because it is an accounting principle that no set-off should be allowed between assets and liabilities or between charges and income. Nor has a real need for flexibility been demonstrated to us.

Still less can the Commission agree to Amendment No 3, which would allow Member States to determine the order of items on the balance sheet instead of adhering to an order which would be the same throughout the Community so as to provide for a high level of responsibility.

Mr President, I do not want to end these remarks on a negative note. I have pleasure in announcing that the Commission can accept the motion for a resolution, subject to one comment. The Commission would be reluctant to annex to the draft directive on the accounts of banks a list of articles of the fourth directive applicable to credit institutions. The Commission did provide just such a list to be annexed as a working paper to Mrs Vayssade's draft report, but it would not be expedient, as a matter of legislative technique, to give this paper a higher legal status, the main problem here being that many provisions of the fourth directive are only partially applicable as they are subject to special provisions in the present report.

President. — The debate is closed.

At this point I must inform the House that I have had a request from Mr Sieglerschmidt that a quorum be established.

(Ten Members rose to support the request)

We shall go on therefore to the first vote in order to establish whether we have a quorum.

Vote on Amendment No 1

I find that we do not have a quorum. Accordingly, pursuant to Rule 71(3) of the Rules of Procedure, the vote is held over to the text part-session.

Mr Prout (ED). — Mr President, I wonder if, in view of that last vote and the evidence that we gleaned from it, it might not be advisable to decide that the part-session should now be closed. It is now 1.40 p.m. There are very few of us here. There are a number of extremely important matters still to be discussed. If they are to get a fair hearing in this House, I think that it would be wise, after a long and difficult week, to bring matters to a close.

President. — I think that this is a reasonable proposal and, if you are all in agreement, I shall therefore adjourn the sitting.

(Parliament agreed to that)

14. *Adjournment of the session*

President. — I declare adjourned the session of the European Parliament¹.

(The sitting was closed at 1.40 p.m.)

¹ Motions for resolutions entered in the register (Rule 49) — Forwarding of resolutions adopted during the sitting — Deadline for tabling amendments — Dates for next part-session: 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.

FAURE REPORT (Doc. 1-84/83 — Less-favoured regions): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos. 1, 2, 3, 4, 5, 7, 8, 9, 10 and 11
- AGAINST Amendment No 6.

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VON DER VRING REPORT (Doc. 1-104/83) — Integrated operations): ADOPTED*Explanation of vote*

Mrs Theobald-Paoli (S), in writing. — (FR) The criteria that our German socialist colleague Mr von der Vring suggests for the launching of integrated operations are very much in line with our own ideas.

His report, which takes account of my motion for a resolution on a special Community programme for Toulon, reaches the same conclusions — which increase the well-foundedness of it.

I agree with the rapporteur that priority as far as new integrated operations are concerned should go to those Mediterranean towns which are affected by a structural crisis in industry and whose surrounding agricultural areas are in serious difficulty.

That is exactly what is happening in my town, Toulon, which has the long-standing crisis of its only industry, the shipyards, to cope with. The Haut-Var, just behind this Mediterranean port, is an agricultural area that is hard hit by drought and threatened by competition from produce from Spain, which is a candidate for common market membership.

Toulon, the 13th biggest town in France, has a rate of unemployment that is twice the national average.

The many people from northern Europe who cross the town to the beaches of the southern part of the Community make Toulon's traffic jams worse. They should be able to help solve the serious problems of getting through this bottleneck — that sun and a beautiful setting can do nothing about.

The social risks attached to the situation in Toulon are in some ways similar to those in Brixton in the UK and are good reason for taking early action.

In conclusion, the well-foundedness and urgency of the Toulon programme are confirmed by the report.

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**TRAVAGLINI REPORT (Doc. 1-129/83 — Earthquake of 23. 11. 1980):
ADOPTED**

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**NYBORG REPORT (Doc. 1-226/83 — Statistics of trade):
ADOPTED**

The rapporteur spoke :

— IN FAVOUR OF Amendments Nos. 1 and 2.

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DE GUCHT REPORT (Doc. 1-233/83 — ECU): ADOPTED

The rapporteur spoke :

— IN FAVOUR OF Amendment No. 1.

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GABERT REPORT (Doc. 1-254/83 — Railways): ADOPTED

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**MARKOPOULOS REPORT (Doc. 1-270/83 — Scientific and technical potential):
ADOPTED**

The rapporteur spoke :

— IN FAVOUR OF Amendments Nos. 10, 11, 12, 13, 14 and 15 ;

— AGAINST Amendments Nos. 1, 4, 5, 6, 8 and 9.

Explanation of vote

Mr Veronesi (COM), in writing. — (IT) The Italian Communist and Allies Group supports the proposal of the Commission to the Council in its original — i.e. unamended — form.

The Italian Communists reached this conclusion after the clarification provided this morning by the Commission's representative, which appeared convincing and conclusive.

The implementation of the initiative on an experimental basis, and the undertaking to provide full information, both on the management of the programme and on the results it achieves, are convincing signs, that have decided us to vote in favour.

With regard to the three debatable questions :

— the number of agents to monitor the programmes

- the number of qualified scientists to form the advisory committee
- the guidelines for relations between Commission and advisors

the Italian Communists are in agreement with the line taken by the Commission, which seems the most reasonable, the most flexible and the most dynamic one.

Finally, we must express our sincere thanks to Mr Markopoulos for the commitment, enthusiasm and ability with which he dealt with the question under consideration in his report.

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PETRONIO REPORT (Doc. 1-272/83 — Raw materials): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendment No. 1.

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COLLINS REPORT (Doc. 1-82/83 — Pollution by engines of motor vehicles): REFERRED BACK TO COMMITTEE

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COHEN REPORT (Doc. 1-255/83 — UNCTAD): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9 and 13;
- AGAINST Amendments Nos. 10, 11 and 12.

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HARRIS REPORT (Doc. 1-105/83 — Peripheral maritime regions and islands): ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos. 1, 2, 3, 5 and 10;
- AGAINST Amendments Nos. 4, 6, 7, 8 and 9.

Explanations of vote

Mr Bernard (S). — (FR) Mr President, I should like to make a brief preliminary speech, because your predecessor, Lady Elles, began the sitting by ratifying my official entry into this House as successor to Mr Schwartzenberg, who has been called to ministerial responsibilities in the French government.

Allow me, Mr President, at the start of my maiden speech in this House, to convey my most respectful greetings both to you and all the Honorable Members, assuring them of my desire to collaborate loyally in working for the higher interests of this European Community of ours.

(Applause)

Of course, Mr President, as we were reminded last night and again just now by the remarkable speeches on the excellent reports on the problems of regional policy that we heard, this concern with the higher interests of the Community has to manifest itself, as a matter of priority, in as active a form of solidarity as possible with those areas which, thanks to a combination of historical and geographical effects, have so many handicaps impeding their economic, social and cultural development.

I, in common with the various speakers who have just contributed to this debate, have found the remarkable report of our colleague Mr Harris to contain a precise analysis of these handicaps and a recognition of the efforts these regions have made, on their own initiative, to overcome them, in particular by organizing themselves into the dynamic conference on the peripheral maritime regions of Europe, which has its headquarters in Brittany and will this year be celebrating its tenth anniversary of work for the defence and promotion of the least developed maritime regions and islands.

Nevertheless, I felt I had to propose two amendments to this text and thank the House for having adopted them. The first involved asking the Commission to propose to us a coherent programme on the subject — the European coastal charter has this very aim in view — and the second called for the partners to be informed. This is why I shall be voting for this text as a whole.

(Applause)

President. — Thank you, Mr Bernard, for the words you addressed to the House at the beginning of your speech ; I also extend a welcome to you.

Mr Alavanos (COM). — *(GR), in writing.* The Harris motion for a resolution is naturally of direct interest to our country. In general, we regard as positive both the spirit and a range of proposals relating to peripheral maritime regions and islands. Despite all this, we fear that yet again all this is wishful thinking. Moreover, we think that the proposed resolution is inadequate in one substantial respect : it fails to attack the negative consequences of the CAP, especially its most recent developments : low prices, quotas, extension of co-responsibility, etc. — in the regions in question. However, despite these reservations, we will in the end vote in favour of the resolution.

Mr Kallias (PPE). — *(GR), in writing.* Of course, I shall vote in favour of the proposed resolution in the Harris report. But I also want to stress the enormous importance of this resolution.

The policy of peripheral development is one of the most important sectors for action by the Community, especially from the social point of view.

And special concern for the islands and for maritime regions is an enlightened initiative, because the need for development is much greater in those regions.

More than any other country in the Community, Greece, with her huge number of islands, is certainly in a position to appreciate the resolution's importance.

Mr Nyborg (DEP), in writing. — *(DA)* The Harris report on the Community's peripheral maritime and island regions is in many respects an expression of good intentions. Indeed, something must be done for those people in the Community who are affected in one way or another by their geographical situation.

However, one thing disturbs me : why has Mr Harris barely touched on the problems of coastal protection ? Clearly one of the basic preconditions for all measures to develop coastal and island regions is that the people living there feel secure. If people live in fear and trepidation of the sea or natural forces, they cannot be expected to show the initiative or the interest which is necessary for the development of maritime regions.

Unless we provide the resources for coastal protection, the coastal regions are in danger of being eroded away. In fact, there is the danger that the coastal regions will become island regions. I do not usually support EEC management of security policies, but if it means fighting coastal erosion, I can only applaud EEC initiatives. That is the background of the amendment I have tabled to the Harris report.

We should not wait until a natural catastrophe forces us to take action. I hope everybody agrees with me. With my amendment I can vote for the report.

Mr Protopapadakis (PPE), in writing. — (GR) I shall vote in favour of the Harris report, because through it there is at last official recognition of the need for support for the disadvantaged regions, including my own homeland, the islands of the Cyclades.

Support for the disadvantaged regions is neither charity nor condescension, but a functional necessity for our Community. If the geographical and other conditions in these regions are unfavourable, this is not the fault of the inhabitants. Besides, the possibilities open to the inhabitants of these areas are too limited to allow them to deal with the situation, and for that reason they tend to abandon their homelands and migrate to the cities. Only the heroic stay at home, those who are determined to keep the flame of life alight in their poor villages.

Thus, it is logical, useful, but also just that the Community should aid all those heroic people.

Mrs Théobald-Paoli (S), in writing. — (FR) The gap between the peripheral maritime regions and islands of our Community and its more prosperous central zones is constantly widening.

I am a European, a Corsican and a Socialist and I believe it is high time to put an end to the isolation which interferes with the harmonious development of the potential of each, which preserving the individual particularities which, combined, constitute the human wealth of the Community.

Now, 20 years before the year 2000, interdependence between the rich countries and the poor countries has been established. It is smoke from the south coast of the Baltic that is destroying the Swedish forests. That is the tragic result of centralized development. We should reset the sights of the sixties and seventies.

In 10 years' time, our Community must not have one or two rich areas surrounded by vast underprivileged regions.

The Harris report proposes some appreciable solutions. I personally feel there are three vital things which will stimulate the peripheral regions : (1) indigenous possibilities of development which leave the regions master of their development within the national and Community framework ; (2) equipment facilities to be granted by the Community ; (3) lastly, a transport tariff policy which no longer penalizes either passenger travel or the import and export of goods in these regions.

MARSHALL REPORT (Doc. 1-76/83 — Carriage of goods by road) : ADOPTED

The rapporteur spoke :

- IN FAVOUR OF Amendments Nos. 1, 2, 3 and 4 ;
- AGAINST Amendments Nos. 5 and 6.

Explanation of vote

Mr Eisma (NI), in writing. — (NL) The D'66 group warmly welcomes the Commission's proposal as a step towards a liberalized and harmonized transport policy.

The present system of centralized fixing of compulsory tariffs is old-fashioned. The rates are never reviewed and often too high so they are not applied, and no one checks to see if they are ; only Germany has a supervisory instrument and even there the compulsory rates are not applied.

The proposed reference rates are a recommendation. The free market is the starting point but the reference rates give the small carrier in particular a firm handhold. It gives him support in figures in the price formation and moral support in negotiations with contractors. We also welcome the fact that the reference tariffs are expressed in the currency of the country where the transport comes from and that the professional organizations of carriers, loaders and intermediaries are involved in setting the reference rates, and that the national authorities must inform the Commission.

As some Member States insisted on compulsory tariffs, the Commission agreed by way of compromise that two countries in mutual consultation could agree on compulsory minimum tariffs. This is regrettable for soon the contractors will regard the minimum rate as a maximum and so the small carrier will forfeit his freedom to negotiate. We also warmly welcomed paragraph 10 of the motion for a resolution and Amendment No 3 of the Committee on Transport which stresses the temporary and transitional nature of it all. We regret there is no obligation that collective labour agreements, where they exist, must be included in the staff costs part of the tariff formation. If that does not happen, then in negotiations with contractors on the price the labour costs will soon come under enormous pressure. I have tabled two amendments to include this obligation in the regulation, in Article 6 and Article 17.1. We also welcomed the other amendments from the Committee on Transport and the Commission's proposal and the resolution, as we do the opinion from the Committee on Economic and Monetary Affairs. We agree with that committee that we must speedily harmonize other aspects of transport, such as regulations on weights and measures of vehicles, the system of licences, documents, etc. The present chaos in Europe is undignified and highly expensive.

Finally we cannot express sufficiently strongly our annoyance at the Council's refusal to decide on the Commission's proposals to introduce reference tariffs for transport by rail and inland waterways which have been on the table for many years. We urge the Council to speed up its decisions on the existing proposal.

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